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BOOK-KEEPING


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THEORETICAL
AND
PRACTICAL
BOOK-KEEPING,
FOR USE IN
BUSINESS COLLEGES,
AND IN
COMMON SCHOOLS, HIGH SCHOOLS AND ACADEMIES,
AND FOR
SELF-INSTRUCTION.



1885

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PREFACE.

WE do not claim that we have enunciated any new principles in the course of study in the science and practice of book-keeping contained in this work. We do claim, however, that we have arranged those already established in such a manner, and accompanied that arrangement with such clear and complete explanations, as will insure the pupil a knowledge of the subject, practically independent of the instructor.

While we have studiously avoided unnecessary theorizing, we have endeavored to give a competent reason for every step to be taken, believing that the pupil, if he have the ability to master the subject under any circumstances, will be able to secure, from the reasons and illustrations given, a thorough knowledge of the science of accounts.

We desire that the student's mind shall be constantly directed to the matter in hand—that of learning practical book-keeping—and not become confused by abstruse theories that can be of no possible use to him in pursuing the course of study, nor of the least value to him in after life.

The claim of this work to superiority over all other publications of its character is based, particularly, upon the manner in which the transactions selected as a basis of the student's work have been graded, the fullness of explanation of every step to be taken, the placing of such explanations in immediate proximity to the transactions, the system of references to the illustrations adopted, the encouragement to progress in penmanship afforded by the engraved pages, the ability of the pupil to rely upon himself, and the material lessening of the labor of the teacher.

THE AUTHORS.

DOUBLE ENTRY BOOK-KEEPING.

¹ Book-keeping is a record of business transactions. ² The object of such record is to enable the proprietor to determine, at any time, the true condition of the business.

³ There are two methods of book-keeping in general use, ⁴ termed Single Entry and Double Entry. The following explanations refer to the Double Entry method.

⁵ The principal books used are the Day Book, Journal and Ledger.

⁶ The Day Book, or Blotter as it is sometimes called, contains a statement of the business transactions in detail. ⁷ The record should be made as soon as the transaction takes place, ⁸ to guard against errors which might be occasioned by delay in making the entry.

⁹ The Journal contains the Debits and Credits, taken from the Day Book, and arranged in a form convenient for transferring to the Ledger. ¹⁰ Deciding upon and arranging the debits and credits in the Journal is called Journalizing. ¹¹ In every journal entry the debits and credits must be equal. ¹² The Day Book and Journal may be combined, ¹³ by writing the particulars regarding the transactions in the Journal, in connection with the journal entry.

¹⁴ The Ledger contains the final results, ¹⁵ which are exhibited by collecting all debits and credits having the same name under one heading. ¹⁶ Such a collection of debits and credits is called an Account. ¹⁷ An account has two sides, ¹⁸ the left side being called the Debit and ¹⁹ the right side the Credit. ²⁰ Transferring the debits and credits from the Journal to the Ledger is called Posting.

²¹ The terms Debit or Debtor, and Credit or Creditor, may be abbreviated: as, Dr. and Cr.

Other books, as the Cash Book, Bill Book, Order Book, Invoice Book, Sales Book, etc., will be explained hereafter.

²² In Double Entry book-keeping there are three kinds of accounts aside from an account with the Proprietor: accounts with Persons, accounts with Property, and accounts representing Allowances made by us, or to us, for Interest, Discount, Exchange, Premium, Storage, Commission, Expenses, etc., by which we sustain Losses or realize Gains.

NOTE.—While it will be necessary, in due time, for the Student to become thoroughly familiar with the principles involved in the rules given on the following pages, he can do so much more easily and quickly, and with a better understanding of their application, if he learn them as he has occasion to apply them, than he can by committing them to memory in advance.

The Student, therefore, after reading carefully the following rules, examples and explanations, may proceed with the work upon his books, as instructed in the foot notes from page to page. Each step is so carefully explained, and the references so fully given, that he should have little difficulty in performing the work correctly and understandingly.

The debits and credits in any business transaction may be determined by the following

GENERAL RULES FOR JOURNALIZING.

23 PERSONS ARE DEBITED.

- ^a When they get into our debt, and
^b When we get out of their debt.

25 PROPERTY IS DEBITED.

Under an appropriate title, as Mdse., Real Estate, Cash, etc., when it comes into our possession.

27 ALLOWANCES ARE DEBITED.

Under appropriate titles, as Interest, Exchange, Commission, etc., when made by us.

24 PERSONS ARE CREDITED.

- ^a When we get into their debt, and
^b When they get out of our debt.

26 PROPERTY IS CREDITED.

Under its appropriate title, when it goes out of our possession.

28 ALLOWANCES ARE CREDITED.

Under their appropriate titles, when made to us.

The three kinds of accounts mentioned above are divided into ²⁹ two general classes, one class showing Gains and Losses, and the other Resources and Liabilities.

30 LOSSES.

An account exhibits a Loss, if the thing it represents has cost us more than it has produced.

32 RESOURCES.

An account exhibits a Resource, if it represents property on hand, or a debt owing to us.

31 GAINS.

An account exhibits a Gain, if the thing it represents has produced us more than it has cost.

33 LIABILITIES.

An account exhibits a Liability, if it represents a debt owing by us.

³⁴ The excess in an account showing either a Resource or a Loss will be on the debit side, and ³⁵ the excess in an account showing either a Liability or a Gain will be on the credit side.

SPECIAL RULES FOR JOURNALIZING.

The following additional rules, definitions and explanations are given to supplement and emphasize the foregoing general rules, as a further aid to the student in the work of journalizing.

THE PROPRIETOR.

/

Dr.

³⁶ The Proprietor is debited for his liabilities assumed by the business, for all amounts drawn by him from the business for his private use, and for his net loss.

Cr.

³⁷ The Proprietor is credited for the amount of his investment on commencing business, for all subsequent investments, and for his net gain.

³⁸ The title "Stock" is sometimes used in place of the proprietor's name. The explanation for a co-partnership will be given hereafter.

CASH.

Dr.

³⁹ Cash is debited when it is received.

Cr.

⁴⁰ Cash is credited when it is paid out.

⁴¹ Under the title "Cash" we include Currency, Bank Checks, Postal Orders, Sight Drafts, and usually all kinds of paper payable on demand. ⁴² The Dr. side of cash account will always be greater, when there is any difference, ⁴³ because we cannot pay out more than we have received, ⁴⁴ and the difference will show the cash on hand, ⁴⁵ which difference is a Resource. ⁴⁶ When all the cash has been paid out, the account will balance.

MERCHANDISE

Dr.

⁴⁷ Mdse. is debited for its cost, when bought.

Cr.

⁴⁸ Mdse. is credited for its proceeds, when sold.

⁴⁹ Under the title "Mdse." we generally include all goods the proprietor is dealing in as a business. ⁵⁰ Sometimes, however, for the purpose of exhibiting results in detail, separate accounts are opened, as "Flour," "Pork," "Beef," etc., instead of including all under the general heading "Mdse." ⁵¹ Since the Dr. side of Mdse. account shows the cost of the goods, and the Cr. side the proceeds, the

difference will show the gain or loss, providing the goods have all been sold. ⁵² If there is an Inventory (goods unsold), its value must first be added to the proceeds from sales, and the difference will then show the gain or loss. ⁵³ The above rule and explanations will also apply to other property, as Real Estate (houses and lands), Bank Stock, Railroad Stock, etc., excepting that an account should be opened with each, under its appropriate title.

EXPENSE.

Dr.

⁵⁴ Expense is debited with any outlay for carrying on the business.

Cr.

⁵⁵ Expense is credited when anything of value is disposed of, which was previously debited to Expense.

⁵⁶ Under the title "Expense" we generally include such items as Rent, Salaries, Office Books, Office Furniture, Fuel, Light, etc. ⁵⁷ If, as in the case of Mdse., it is desired to show results in detail, separate accounts may be opened with "Rent," "Salaries," "Office Furniture," etc., instead of including all these items under the general heading "Expense." ⁵⁸ Expense account usually shows a loss.

BILLS RECEIVABLE.

Dr.

⁵⁹ Bills Receivable is debited for the written promises to pay, of other parties, when received.

Cr.

⁶⁰ Bills Receivable is credited for the written promises to pay, of other parties, when paid or otherwise disposed of.

⁶¹ Under the title "Bills Receivable" we include, generally, Notes and Time Drafts. ⁶² The Dr. side of the account will always be larger, when there is any difference, ⁶³ because we cannot dispose of a greater amount than we have received. ⁶⁴ The difference in the account will show the Bills Receivable on hand, ⁶⁵ which difference is a Resource. ⁶⁶ The account will balance when the Bills Receivable have all been disposed of, because such bills are always debited and credited at their face value.

BILLS PAYABLE.

Dr.

⁶⁷ Bills Payable is debited for our written promises to pay, when redeemed (that is paid).

Cr.

⁶⁸ Bills Payable is credited for our written promises to pay, when issued (that is given).

⁶⁹ Under the title "Bills Payable" we include, generally, Notes and Accepted Time Drafts. ⁷⁰ The Cr. side of the account will always be larger, when there is any difference, ⁷¹ because we cannot redeem a greater amount than we have issued. ⁷² The difference in the account will show the Bills Payable outstanding, ⁷³ which difference is a Liability. ⁷⁴ The account will balance when all the Bills Payable have been redeemed, because such bills are always debited and credited at their face value.

INTEREST AND DISCOUNT.

Dr.

⁷⁵ Interest and Discount are debited when allowed to others.

Cr.

⁷⁶ Interest and Discount are credited when allowed to us.

⁷⁷ Interest is the compensation allowed for the use of money.

⁷⁸ Discount is the allowance made for the payment of a debt before it is due.

⁷⁹ When the Dr. side of Interest and Discount account is the greater, the difference shows a loss; when the Cr. side is greater, the difference shows a gain. ⁸⁰ The above rule will apply also to such accounts as Exchange, Premium, Collection, Storage, Commission, etc.

Additional rules and explanations will be given when required, in connection with the work to be performed.

EXAMPLES IN JOURNALIZING.

NOTE.—The following twenty-nine Examples, representing a series of business transactions, are designed to illustrate the application of the principles embodied in the foregoing General and Special Rules, and to serve as references to aid the student in the work of journalizing. These examples are not to be written up by the student, but should be carefully studied as follows: He should first read the Day Book Record for the transaction, then observe how it is Journalized, and also study the explanations which follow, consulting the rules to which references are made. After reading all of the examples, the student may commence the work upon his books, as instructed in note on page 12.

EXAMPLE No. 1.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
	J. T. Smith commenced business this day, and invested Cash,	5000		Cash, Dr.	5000		
				To J. T. Smith, Cr.		5000	

Why is Cash Dr. in above journal entry? Because Cash is received (see 39, page 6).

Why is J. T. Smith Cr.? Because the proprietor should have credit for his investment (see 37, page 6).

EXAMPLE No. 2.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	J. T. Smith owes C. B. Hall, on account, which is to be paid from the business,	500		J. T. Smith, Dr.	500		
				To C. B. Hall, Cr.		500	

Why is Smith Dr.? Because the proprietor is Dr. for liabilities assumed by the business (see 36, page 6).

Why is Hall Cr.? Because the proprietor is in his debt (see 24, page 6).

EXAMPLE No. 3.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	Bought of J. E. Morse, for Cash, 200 bbls. Flour, at 6.00,	1200		Mdse., Dr.	1200		
				To Cash, Cr.		1200	

Why is Mdse. Dr.? Because it is bought (see 47, page 6). Why is Cash Cr.? Because it is paid out (see 40, page 6).

EXAMPLE No. 4.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	Sold Geo. Andrews, for Cash, 50 bbls. Flour, at 6.75,	337 50		Cash, Dr.	337 50		
				To Mdse., Cr.		337 50	

Why is Cash Dr.? Because it is received (see 39, page 6). Why is Mdse. Cr.? Because it is sold (see 48, page 6).

EXAMPLE No. 5.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	Bought of E. N. French, on account, 100 bbls. Beef, at 14.50,	1450		Mdse., Dr.	1450		
				To E. N. French, Cr.		1450	

Mdse. is Dr. because it is bought (see 47, page 6). Why is E. N. French Cr.? Because we have bought property of him *on account* ("on account" means that we do not pay him for it at time of purchase), and we therefore get into his debt (see 24, page 6).

EXAMPLE No. 6.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	Sold Reed & Mills, on account, 50 bbls. Flour, at 7.00, 50 " Beef, 16.00,	350 800	1150	Reed & Mills, Dr.	1150		
				To Mdse., Cr.		1150	

Why are Reed & Mills Dr.? Because they have bought property of us on account (that is, they do not pay us for it at the time of purchase), and therefore get into our debt (see 23, page 6). Why is Mdse. Cr.? Because it is sold (see 48, page 6). Since Flour and Beef were both journalized as Mdse. when bought, we now credit Mdse. *in one amount* for the sale.

EXAMPLE No. 7.

DAY BOOK RECORD.

ITEMS.	TOTAL.
Paid rent of store in Cash,	50

JOURNAL ENTRY FOR SAME.

DR.	CR.
Expense, Dr.	50
To Cash, Cr.	50

Why is Expense Dr.? Because rent is an item of cost in carrying on the business (see 54, page 7). Cash is Cr. because it is paid out (40, page 6).

EXAMPLE No. 8.

DAY BOOK RECORD.

Paid E. N. French, cash to apply on account,	450
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JOURNAL ENTRY FOR SAME.

E. N. French, Dr.	450	
To Cash, Cr.		450

Why is E. N. French Dr.? Because we get out of his debt, to the extent of \$450 (see 23, page 6). Since we gave him Cr. Jan. 5 (see Ex. No. 5) for \$1450, we must now make him Dr. \$450, the amount we pay him, in order that his account may show the exact amount we still owe him. Cash is Cr. because it is paid out (40, page 6).

EXAMPLE No. 9.

DAY BOOK RECORD.

Received cash of Reed & Mills, to apply on account,	200
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JOURNAL ENTRY FOR SAME.

Cash, Dr.	200	
To Reed & Mills, Cr.		200

Cash is Dr. because it is received (39, page 6). Reed & Mills are Cr. because they get out of our debt to the extent of \$200 (24, page 6). Since we made them Dr. (see Ex. No. 6) for \$1150, we must now give them Cr. \$200, in order that their account may show the exact amount they still owe us.

EXAMPLE No. 10.

DAY BOOK RECORD.

Bought of E. D. Harris, 100 bbls. Pork, at 12.00, Gave my note at 10 days in payment.	1200
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JOURNAL ENTRY FOR SAME.

Mdse., Dr.	1200	
To Bills Pay., Cr.		1200

Mdse. is Dr. because it is bought (47, page 6). Bills Payable is Cr. because our written promise to pay has been issued (see 68, page 7).

EXAMPLE No. 11.

DAY BOOK RECORD.

Received of Reed & Mills, their note at ten days, to apply on account.	600
--	-----

JOURNAL ENTRY FOR SAME.

Bills Rec'v, Dr.	600	
To Reed & Mills, Cr.		600

Bills Receivable is Dr. because the written promise of another party has been received (59, page 7). Reed & Mills are Cr. because they get out of our debt to the extent of \$600, our claim for that sum now being in the form of Bills Receivable (24, page 6).

EXAMPLE No. 12.

DAY BOOK RECORD.

Gave E. N. French my note at ten days, with interest, to apply on account,	500
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JOURNAL ENTRY FOR SAME.

E. N. French, Dr.	500	
To Bills Pay., Cr.		500

E. N. French is Dr. because we get out of his debt to the extent of \$500 (23, page 6), our liability now being in the form of Bills Payable for that amount. Bills Payable is Cr. because our written promise to pay has been issued (68, page 7).

EXAMPLE No. 13.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Sold Chas. Hamlin, 50 bbls. Flour, at 7.00.	350			Bills Rec'v, Dr.	1050		
50 " Pork, 14.00.	700			To Mdse., Cr.		1050	
Rec'd payment by his note at ten days, with interest,		1050					

Bills Receivable is Dr. because the written promise of another party is received (59, page 7). Mdse. is Cr. because it is sold (48, page 6).

EXAMPLE No. 14.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Sold F. E. Clark, 25 bbls. Beef, at 16.00.		400	See note below.	Cash, Dr.	150		
Rec'd in payment, Cash.	150			F. E. Clark, Dr.	250		
Balance on account,	250			To Mdse., Cr.		400	

Cash is Dr. because received (39, page 6). F. E. Clark is Dr. because he gets into our debt (23, page 6). Mdse. is Cr. because sold (48, page 6). The above form is equivalent to making Clark Dr. 400 and Mdse. Cr. 400 in one entry, and then making a second entry, Cash Dr. 150, Clark Cr. 150. The above form saves one entry.

EXAMPLE No. 15.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Bought of Milo Sage, 300 bbls. Flour, at 6.50.		1950	See note below.	Mdse., Dr.	1950		
Paid him Cash,	950			To Cash, Cr.		950	
Balance on account,	1000			" M. Sage, Cr.		1000	

Mdse. is Dr. because bought (47, page 6). Cash is Cr. because paid out (40, page 6). Sage is Cr. because we get into his debt (24, page 6). This form saves one entry, as explained in the preceding example.

EXAMPLE No. 16.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Bought of O. F. Wil- son, House and Lot, for cash,		1500		Real Estate, Dr.	1500		
				To Cash, Cr.		1500	

Real Estate is Dr. because bought (see 53, page 7). Cash is Cr. because paid out (40, page 6).

EXAMPLE No. 17.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Bought of W. E. Holt, 200 bbls. Beef, at 13.00.		2600		Mdse., Dr.	2600		
Paid him Cash,	600			To Cash, Cr.		600	
My note at 15 days for balance,	2000			" Bills Pay., Cr.		2000	

Mdse. is Dr. because bought (47, page 6). Cash is Cr. because paid out (40, page 6). Bills Payable is Cr. because we issue our written promise to pay (68, page 7).

EXAMPLE No. 18.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Bought Safe for Office, and paid for same in Cash,		200		Expense, Dr.	200		
				To Cash, Cr.		200	

Expense is Dr. because the Safe is an item of cost in carrying on the business (54, page 7). Cash is Cr. because paid out (40, page 6).

NOTE.—In cases like the above where part payment is made at the time of purchase, the transaction may, if desired, be journalized as follows: debit or credit the person, as the case may be, with the full amount in one entry, and in another entry credit or debit him with the payment.

EXAMPLE No. 19.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Sold A. D. Larkin,				Cash, Dr.	275		
50 bbls. Flour, at 7.50.	375			Bills Rec'v, Dr.	500		
25 " Beef, 16.00.	400	775					
Rec'd in payment, Cash.	275						
His note at two months				To Mdse., Cr.		775	
for balance,	500						

Cash is Dr. because received (39, page 6). Bills Receivable is Dr. because received (59, page 7). Mdse. is Cr. because sold (48, page 6).

EXAMPLE No. 20.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
J. T. Smith drew cash				J. T. Smith, Dr.	350		
from the business for							
private use,		350		To Cash, Cr.		350	

Smith is Dr. because he is the proprietor and draws this money for private use (36, page 6). Cash is Cr. because paid out (40, page 6).

EXAMPLE No. 21.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Rec'd of F. E. Clark, to				Cash, Dr.	100		
balance account,				Bills Rec'v, Dr.	150		
Cash,	100						
His note at 45 days for	150	250		To F. E. Clark, Cr.		250	

Cash is Dr. because received (39, page 6). Bills Receivable is Dr. because received (59, page 7). Clark is Cr. because he gets out of our debt (24, page 6).

EXAMPLE No. 22.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Paid M. Sage, to apply				M. Sage, Dr.	750		
on account, Cash,	250						
My note at 30 days, with				To Cash, Cr.		250	
interest,	500	750		" Bills Pay., Cr.		500	

Sage is Dr. because we get out of his debt, in part (23, page 6). Cash is Cr. because paid out (40, page 6). Bills Payable is Cr. because we issue our written promise to pay (68, page 7).

EXAMPLE No. 23.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Paid my note of the 10th				Bills Pay., Dr.	1200		
inst., in favor of E. D.							
Harris, in Cash,		1200		To Cash, Cr.		1200	

Bills Payable is Dr. because our written promise to pay is redeemed (67, page 7). Cash is Cr. because paid out (40, page 6).

EXAMPLE No. 24.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Rec'd Cash of Reed &				Cash, Dr.	600		
Mills, for their note of							
11th inst., due to-day,		600		To Bills Rec'v, Cr.		600	

Cash is Dr. because received (39, page 6). Bills Receivable is Cr. because the written promise to pay of another is disposed of (60, page 7).

EXAMPLE No. 25.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Paid my note of 12th inst. in favor of French, due to-day, with interest, in Cash,				Bills Pay., Dr.	500		
Face of note,	500	501 08		Interest, Dr.	1 08		
Interest to date, 13 days,	1 08			To Cash, Cr.		501 08	

Bills Payable is Dr. because our written promise is redeemed (67, page 7). Interest is Dr. because it is allowed to others (75, page 7). Cash is Cr. because paid out (40, page 6).

EXAMPLE No. 26.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Rec'd cash of Chas. Hamlin, for his note of 13th inst., due to-day, with interest,				Cash, Dr.	1052 28		
Face of note,	1050	1052 28		To Bills Rec'v, Cr.		1050	
Interest to date, 13 days,	2 28			" Interest, Cr.		2 28	

Cash is Dr. because received (39, page 6). Bill Receivable is Cr. because disposed of (60, page 7). Interest is Cr. because it is allowed to us (76, page 7).

EXAMPLE No. 27.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Prepaid my note of 17th inst., in favor of W. E. Holt,				Bills Pay., Dr.	2000		
Discount off, 8 days,	2 67	2000		To Discount, Cr.		2 67	
Paid balance in Cash,	1997 33			" Cash, Cr.		1997 33	

Bills Payable is Dr. because our written promise has been redeemed (67, page 7). Discount is Cr. because it is allowed to us (76, page 7). Cash is Cr. because paid out (40, page 6).

EXAMPLE No. 28.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
A. D. Larkin prepaid his note of 19th inst.,		500		Discount, Dr.	4 33		
Discount off, 1 mo. 22 days,	4 33			Cash, Dr.	495 67		
Rec'd balance in Cash,	495 67			To Bills Rec'v, Cr.		500	

Discount is Dr. because it is allowed to others (75, page 7). Cash is Dr. because received (39, page 6). Bills Receivable is Cr. because the written promise to pay of another party is disposed of (60, page 7).

EXAMPLE No. 29.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
	ITEMS.	TOTAL.			DR.	CR.	
Paid Clerks' Salaries to date, in Cash,		100		Expense, Dr.	100		
				To Cash, Cr.		100	

Expense is Dr. because Salaries is an item of cost in carrying on the business (54, page 7). Cash is Cr. because paid out (40, page 6).

NOTE TO STUDENT.—Having carefully read the preceding pages, you may now begin the work upon your books. First copy into your Day Book the business transactions for January, as given on the following pages. As you are supposed to be the proprietor of the business, you will write your name in the blank lines in the first two transactions on the next page.

In copying you may omit from your Day Book the figures in the *column at the left* of the transactions, as they are simply reference figures, to assist in journalizing. The explanations for their use will be given hereafter. You should make your pages as nearly as possible like the following, in substance, penmanship and arrangement. Read foot notes carefully, as all are *important* to an understanding of the work. Always write your own name in place of the word Student, or wherever a blank line is used to indicate it.

January 1, 1855

Ex. No. 1, page 8.	¹ Student's name commenced business this day and invested cash				4000
Ex. No. 2, page 8.	² _____ owes J. S. Baker on account, which is to be paid from the business				300
Ex. No. 3, page 8.	³ Bought of Wm. Brown for cash 100 bbls Flour	6.50		650	
Ex. No. 5, page 8.	⁴ Bought of H. W. Stevens on acc't 50 bbls Beef	15.		750	
Ex. No. 4, page 8.	⁵ Sold Henry Jones for cash 25 bbls Flour	7.50		18750	
Ex. No. 6, page 8.	⁶ Sold Ford & Co. on account 25 bbls Flour	8.	200		
	25 " Beef	7.	425	625	
Ex. No. 7, page 9.	⁷ Paid rent of Store in cash			25	
Ex. No. 8, page 9.	⁸ Paid H. W. Stevens cash to apply on account			250	
Ex. No. 9, page 9.	⁹ Received cash of Ford & Co. to apply on account			175	
Ex. No. 4, page 8.	¹⁰ Sold P. B. Martin for cash 20 bbls Flour	7.25	145		
	10 " Beef "	16.25	16250	30750	
Ex. No. 8, page 9.	¹¹ Paid H. W. Stevens cash on acc't			100	

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Ex. No. 5, page 8.	Bought of Jas T Hoag on acct 50 bbls. Flour 7. ⁰⁰				3 50
Ex. No. 3, page 8.	Bought of C. D. Lacey for cash 50 bbls. Pork 11. ⁵⁰	575			
	50 " Flour 6. ⁵⁰	325			
	50 " Beef 14. ⁷⁵	737 50	1637	50	
Ex. No. 6, page 8.	Sold Moore & Collins on acct 20 bbls. Beef 16. ⁰⁰	320			
	10 " Pork 14. ⁰⁰	140	460		
Ex. No. 9, page 9.	Recd cash of Ford & Co. on acct			150	
Ex. No. 5, page 8.	Bought of W. H. Stevens on acct. 100 bbls. Salt 2. ²⁵				225
Ex. No. 20, page 11.	Student drew cash from the business for private use			75	
Ex. No. 4, page 8.	Sold S. V. Bell for cash 25 bbls. Salt 2. ⁷⁵	68 75			
	50 " Flour 7. ⁵⁰	375			
	20 " Pork 13. ⁵⁰	270			
	15 " Beef 16.	240	753 75		
Ex. No. 8, page 9.	Paid Jas T Hoag cash in full of account			350	
Ex. No. 3, page 8.	Bought of Wm Brown for cash 15 bbls. Flour 6. ⁰⁰	450			
	20 " Beef 14. ⁰⁰	280			
	25 " Pork 11. ⁰⁰	275	1005		

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Ex. No. 6, page 8.	Sold Ford & Co. on account			
	30 bbls Flour 6.75	202.50		
	15 " Salt 2.85	42.75	245.25	
Ex. No. 9, page 10.	Bought safe for office for cash			2.50
Ex. No. 9, page 9.	Received cash of Moore & Collins on account			1.50
Ex. No. 8, page 9.	Paid J. S. Baker cash on acct			1.00
See Principles 38, page 6, 48, page 6.	Sold Mitchell Bros for cash			
	10 bbls Beef 16.00	160		
	10 " Salt 2.90	29		
	5 " Pork 14.00	70	259	
See Prin. 47, page 6, 24, page 6.	Bot. of Wells, Johnson & Co. on acct			
	25 bbls Lard 6250 lbs 11 1/2 p		715.75	
See Prin. 54, page 7, 40, page 6.	Bought two tons of Coal for office use for cash			10.30
See Prin. 39, page 6, 24, page 6.	Rec'd cash of Ford & Co. on acct			2.50
See Prin. 47, page 6, 40, page 6.	Bought of E. L. Gould for cash			
	40 bbls Flour 6.10	244		
	25 " Beef 13.75	343.75	587.75	
See Prin. 23, page 6, 48, page 6.	Sold Moore & Collins on acct			
	5 bbls Lard 1250 lbs 13 p	162.50		
	12 " Beef 16.25	195		
	7 " Salt 2.90	20.30		
	15 " Flour 7.00	105	482.80	

DIRECTIONS FOR JOURNALIZING.

Having completed the work of copying the foregoing transactions into your Day Book, you may now journalize them. As explained in 9 and 10, on page 5, journalizing is deciding upon the proper debits and credits of the business transactions recorded in the Day Book, and arranging them in the Journal in a form convenient for transferring (posting) to the Ledger. In journalizing, therefore, you will need your Day Book and Journal before you.

The Examples commencing on page 8 are designed to assist you in the work of journalizing. To illustrate: Read the first transaction in your Day Book; then turn to page 8 and compare it with the Day Book Record of Example No. 1. As you will see, they read substantially alike, and precisely the same principles are involved in each. If, therefore, Example No. 1 be journalized

Cash, Dr. 5000
To J. T. Smith, Cr. 5000 (see journal entry for Example No. 1, page 8), it follows that the first transaction in your Day Book should be journalized

Cash, Dr. 4000
To Student, Cr. 4000

Turn to your Journal, therefore, and make the journal entry as shown in the engraved form below. You will observe that the debits are entered on the left side and the credits on the right side of the dividing line. The abbreviations Dr. and Cr. are omitted from the Journal. The sign "To" indicates that the item before which it is placed is a credit. After you have made the entry in your Journal, turn at once to your *Day Book*, and, in the column at the left, check the transaction thus ✓, to prevent omissions.

Next proceed to journalize the second transaction in your Day Book. By reference to page 13 of the text book, you will see that the small reference figures at the left of this transaction indicate that you are to consult Example No. 2, on page 8, for assistance in making the journal entry. Again, the reference figures for transaction of January 2, page 13, refer you to Example No. 3, page 8; for transaction of January 4, to Example No. 5, and so on.

By referring in this manner to an example *containing the same conditions* as the transaction you are journalizing, you can readily determine the proper debits and credits for all of the transactions in January. In consulting these examples for assistance in making the journal entries, you should at the same time study the rules and explanations given under them, that you may, as soon as possible, become familiar with the principles of debit and credit.

After journalizing all of the transactions for January, present your Journal to the teacher for approval.

January 1, 188					
✓	Cash		4000		
		To Student		4000	
	Student		300		
		To J. S. Baker		300	
	Widse		650		
		To Cash		650	
	Widse		750		
		To H. W. Stevens		750	
	Cash		187 50		
		To Widse		187 50	

DIRECTIONS FOR POSTING.

After you have journalized all of the transactions for January, and your Journal has been approved by the teacher, your next work will be to post. Posting, as explained in 14 to 20, on page 5, is transferring the debits and credits from the Journal to the Ledger, placing those of the same name under one heading, for the purpose of exhibiting the final results of the business. The simple process of posting is not difficult; it is purely mechanical, but it requires constant watchfulness and care to perform the work without making errors.

A few Ledger accounts are shown on page 19, to give you an idea of the form for opening accounts in your Ledger; and you will find *explicit* instructions for posting given below, under "Guide for posting the Journal entries for January."

You are to follow those instructions to the very letter, performing the work step by step as directed. To illustrate: In the instructions for posting the first journal entry (Jan. 1), you are told to "write your own name at the top of page 1 in your Ledger." Before reading the instructions further, you should turn to your Ledger and perform the work exactly as directed; then turn again to the instructions and see what the next step is, and take that, and so on until you have posted the entire entry.

Then take the instructions for the second entry in your Journal, and proceed in the same manner as with the first entry, performing the work precisely as indicated.

After you have posted a few of the journal entries by the aid of the instructions, lay aside your text book and proceed without it if possible.

You may now place your Journal and Ledger before you, and commence posting in accordance with the following

GUIDE FOR POSTING THE JOURNAL ENTRIES FOR JANUARY.

JANUARY 1. (See this Entry in your Journal.)

First, write your name at the top of page 1 in your Ledger, on the *upper line*, in a bold, plain hand. (See form of Ledger on page 19.) Next, on the *right hand* side of the heavy line in the center—Cr. side—enter, in the date column, the date, "Jan. 1." (The explanation column will be left blank for the present.) Next, in the journal page column, enter the page of your Journal, "1." Next, in the amount column, enter the amount, "4000." Next turn to your Journal, and place a check mark, thus "✓," opposite the student's name, to indicate that the item has been posted. (See Journal form on page 16.) *Before reading any further*, perform the above work *precisely* as instructed. Next write "Cash," in a bold, plain hand, at the *top of page 2* in your Ledger. Next, on the *left hand* side of the heavy line in the center—that is, on the Dr. side—enter in the date column, the date, "Jan. 1." Next, in the Journal page column, enter the page of your Journal, "1." Next, in the amount column, enter the amount, "4000." Next turn to your Journal, and place a check mark, thus "✓," opposite Cash, to indicate that this item has been posted.

JANUARY 1, SECOND ENTRY. (See this Entry in your Journal.)

Turn to Student's account, on page 1 in your Ledger, and on the *left hand* side—that is the Dr. side of his account—enter, in the date column, the date, "Jan. 1." Next, in the journal page column, enter the page of your Journal, "1." Next, in the amount column, enter the amount, "300." Next turn to your Journal and check the item thus "✓." Next write "J. S. Baker's" name at the *top of page 3* in your Ledger. Next, on the *right hand* side—that is the Cr. side of his account—enter, in the date column, the date, "Jan. 1." Next enter in the journal page column the page of your Journal, "1." Next, in the amount column, enter the amount, "300." Next turn to your Journal and check the item thus "✓."

JANUARY 2. (See this Entry in your Journal.)

Open an account with "MERCHANDISE" at the *top of page 4* in your Ledger; then, on the *left hand* side—that is the Dr. side—enter, in the date column, the date, "Jan. 2"; next enter the page of your Journal, "1"; next enter the amount, "650"; next turn to your Journal and check Mdse. thus "✓." Next go to Cash account, on *page 2* in your Ledger, and enter, on the Cr. side—that is the *right hand* side—the date, "Jan. 2"; next enter the journal page, "1"; next enter the amount, "650"; next turn to your Journal and check thus "✓."

JANUARY 3. (See this Entry in your Journal.)

Turn to Merchandise account, on page 4 in your Ledger, and enter, on the Dr. side—*left hand* side—in the date column, the date, “3,” the ditto marks—thus “—being placed under Jan. to save repetition; next enter the journal page, “1”; next enter the amount, “750”; next check the item in the Journal thus, “✓.” Next open an account with H. W. Stevens, at the top of page 5 in your Ledger, and enter, on the Cr. side of his account, the date, “Jan. 3”; the journal page, “1”; the amount, “750”; then turn to the Journal and check as before instructed.

JANUARY 4. (See the Journal Entry.)

Turn to Cash account, on page 2 in your Ledger, and enter, on the Dr. side—*left hand* side—of the account, the date, “4,” placing ditto marks under the month; next enter the journal page, “1”; next enter the amount, “187.50”; next turn to your Journal and check. Next turn to Merchandise account, on page 4, and enter, on the Cr. side, the date, “Jan. 4”; next the journal page, “1”; next the amount, “187.50”; next turn to your Journal and check.

JANUARY 5. (See the Journal Entry.)

Open an account with “Ford & Co.” in the middle of page 5 in your Ledger, and enter, on the Dr. side of the account, the date, “Jan. 5”; next enter the journal page, “1”; next enter the amount, “625.00”; next turn to your Journal and check. Next turn to Mdse. account, on page 4, and enter, on the Cr. side, the date, “5”; next the journal page, “1”; next the amount, “625.00.”

JANUARY 6. (See the Journal Entry.)

Open an Expense account at the top of page 6. Enter, on the Dr. side, the date, “Jan. 6”; next the journal page, “1”; next the amount, “25”; next check in the Journal. Next turn to Cash account, on page 2, and enter, on the Cr. side, the date, “6”; the journal page, “1”; the amount, “25”; then check in the journal.

JANUARY 8. (See the Journal Entry.)

Turn to H. W. Stevens' account, on page 5, and enter, on Dr. side, the date, “Jan. 8”; journal page, “1”; amount, “250”; then check in the Journal. Next turn to Cash account, on page 2, and enter, on the Cr. side, the date, the journal page, the amount; then check in the Journal.

JANUARY 9.

On Dr. side of Cash account enter the date, the journal page, the amount; then check in the Journal. Next, on the Cr. side of Ford & Co.'s account, enter the date, journal page, amount.

JANUARY 10.

Post on the Dr. side of Cash account, as instructed heretofore, and check in the Journal; then post on the Cr. side of Mdse. account.

JANUARY 11.

Post on the Dr. side of Stevens account, and on the Cr. side of Cash account, remembering to check in the Journal after each posting.

JANUARY 12.

Post on Dr. side of Mdse. account. Next open an account with James T. Hoag, at the top of page 7, and credit him.

NOTE.—You will observe that, in every journal entry, an equal amount is posted to both sides of the Ledger, thus keeping it constantly in balance. This is the principle upon which Double Entry book-keeping is based and from which it takes its name.

You should now be able to proceed with the posting without further assistance. In case you should be unable to do so, however, for additional practice apply to the teacher for a *separate sheet* of ledger paper, and post the same entries again.

In opening new accounts in your Ledger hereafter, leave one-half of a page space for each, until otherwise instructed.

TRIAL BALANCE.

⁸¹ A Trial Balance is a test to ascertain whether the debit and credit sides of the Ledger are equal.

⁸² The Trial Balance does not prove the work absolutely correct, ⁸³ as errors may be made which will not affect the equality of the Ledger, ⁸⁴ such as posting to the wrong account, errors in journalizing, erroneous computations, etc.

⁸⁵ If the footings of the Trial Balance are equal, however, it is generally regarded as evidence that the work upon the Ledger is correct, ⁸⁶ although the careful book-keeper, in addition to such proof, will usually go over his computations and posting the second time.

You may now proceed to take a Trial Balance for January.

INSTRUCTIONS FOR TAKING JANUARY TRIAL BALANCE.

Commence with the first account in your Ledger, which is Student's, and foot the Dr. side of the account, ⁸⁷ placing the footing in small lead-pencil figures, ⁸⁸ close up to the line on which the last item is posted, as illustrated below.

STUDENT.

188				188			
Jan.	1		1	Jan.	1		1
			300				4000
"	18		2				
			75				
			375				

The above illustration shows how the Dr. side of Student's account will appear in the Ledger after it has been footed for the trial balance. ⁸⁹ Do not draw lines under the columns to be added, as the peculiar position of the footing serves to distinguish it from the other items in the account.

⁹⁰ Make your pencil footings plain and distinct, but *as small as possible*. When there is but one item on either side of an account, no pencil figures are necessary; for example, see credit side of Student's account above. Next write your name on the first line in the trial balance sheet, ⁹¹ placing the Dr. footing of your account in the left hand column and the Cr. footing in the right hand column, as illustrated in the trial balance given below.

You will then turn to the next account in your Ledger—Cash. Add both sides of the account, as before instructed, placing the footings in pencil in the position described above, and then transfer them, with the title of the account—Cash—to the next line in the trial balance sheet. Continue in this manner, footing and carrying results to the trial balance, until the footings of all of the accounts in the Ledger have been transferred. ⁹² When the footings of both sides of an account are equal they should be omitted from the trial balance, as in the case of the account with James T. Hoag. You may rule up Hoag's account in your Ledger at once. (See first ruling of his account, page 39.) ⁹³ If your trial balance is correct, the footings of the sides will be equal, and will correspond in all particulars with the one given below. *Always use red ink in ruling.* Write your own name in place of "Student."

Trial Balance, January 31, 188-

1	Student	375	4000
2	Cash	6432.75	5940.50
3	J. S. Baker	100	300
4	Merchandise	572.40	3520.50
5	H. M. Stevens	350	975
6	Ford & Co	570.25	575
7	Expenses	285.30	
8	Moore & Collins	1142.50	150
9	Wells, Johnson & Co		710.75
		5250.10	15250.10

ERRORS IN TRIAL BALANCES.

⁹⁴No rule or set of rules can be given for the *certain* detection of errors in trial balances, save, perhaps, a careful review of the entire work. If only one error has been made, however, the following short tests will frequently disclose it, and they should be first applied, as involving much less labor than going over the entire work.

First.—⁹⁵If the error be exactly \$1, \$10, \$100, \$1000, etc., it is very likely in the additions, either of the Ledger accounts or the columns of the trial balance.

Second.—⁹⁶An error may have been made in carrying the footings of the accounts from the Ledger to the trial balance, or ⁹⁷an account may have been omitted entirely from the trial balance.

Third.—⁹⁸If an amount has been omitted in posting, the trial balance will be exactly that amount out of balance. ⁹⁹Look through the Journal or other books from which you have posted, and see if you can find an item of the same amount as the error, which has been omitted in posting.

Fourth.—¹⁰⁰If an amount has been posted to the wrong side of the Ledger, the trial balance will be just twice that amount out of balance; ¹⁰¹therefore look through the Journal for an item of one-half the amount of the error.

Fifth.—¹⁰²If the error be divisible by 9, it is quite likely to have been caused by a transposition of figures; as, \$42 posted \$24 would make an error of \$18, which is divisible by 9; again, \$345 posted \$453 would make an error of \$108, which is divisible by 9, etc.

Sixth.—¹⁰³Should all of the foregoing tests fail to disclose the error, it will be necessary to review the work, ¹⁰⁴from the date of the last trial balance, in the following manner: ¹⁰⁵Examine carefully each journal entry, to be certain that the debits and credits are equal, and ¹⁰⁶then see that these debits and credits have been transferred correctly to the Ledger. ¹⁰⁷placing a check mark in pencil, thus ✓, in the Ledger against each item examined and found to be correctly posted. ¹⁰⁸If, after thus checking the work, you find an amount not checked, you may conclude that the item has been posted twice. ¹⁰⁹Merely examining the posting without checking will not answer the purpose; every item must be checked to locate the error.

NOTE.—Questions upon a few of the leading principles involved in the work of the foregoing set are given below, and you should be prepared to answer them satisfactorily if called upon by the teacher at any time to do so. Before proceeding further, therefore, study carefully the answers to the following

QUESTIONS FOR REVIEW.

Page 5.—¹What is book-keeping? ²What is the object of it? ³What are the principal books employed in Double Entry called? ⁴Describe the use of the Day Book. ⁵The Journal. ⁶The Ledger. ¹⁰What is Journalizing? ²⁰What is Posting?

Page 6.—²³When are Persons debited? ²⁴When are Persons credited? ²⁵When is Property debited? ²⁶When is Property credited?

Page 20.—⁸¹What is a Trial Balance? ⁸²Why does it not prove the Ledger absolutely correct? ⁹²When may an account be omitted from the Trial Balance?

NOTE.—After you have become familiar with the principles covered by the above questions, proceed to copy into your Day Book the transactions for February, as given on the following pages. In all computations, if the fraction is five mills or over, add another cent; if less than five mills, drop the fraction. Strive to make the work upon your books show constant progress in penmanship, by imitating as nearly as possible the forms given you to copy.

\$ 491. ⁴⁵	ROCHESTER, N. Y.,	SEP. 20, 188
Nine days AFTER DATE we PROMISE TO PAY		
TO THE ORDER OF James H. Boardman		
Four Hundred Ninety-one ⁴⁵ / ₁₀₀ DOLLARS		
AT Powers' National Bank		
VALUE RECEIVED		
NO. 29	DUE Jan 7, 188	William J. Johnston

February 1, 1885

See Prin. 23, page 6, 40, page 6.	Paid Wells, Johnson & Co cash to apply on acct.				200
See Prin. 54, page 7, 40, page 6.	Paid Jan. Gas bill in cash	5			
	" Bookkeeper's salary "	75			80
Ex. No. 10, page 9.	Bought of W. C. Cooper 50 bbls. Flour 7.00				350
	Gave my note at 6 days in pmt.				
39, page 6, 48, page 6.	Sold Norton & Co. for cash				
	25 bbls Pork 14.25	356	25		
	15 " Beef 16.75	251	25	607	50
Ex. No. 11, page 9.	Received of Moore & Collins their note at eight days on acct.				300
47, page 6, 24, page 6.	Bought of David Bailey on acct. 20 bbls A. C. Sugar 5000 lbs 11 1/4 cts				562 50
Ex. No. 14, page 10.	Sold Jas. T. Hoag 5 bbls A. C. Sugar 12.50 lbs 12 1/2 cts				156 25
	Rec'd in payment cash	100			
	Balance on account	56	25		
39, page 6, 24, page 6.	Rec'd of Ford & Co. cash on acct.				50
Ex. No. 13, page 10.	Sold F. W. Warren 20 bbls Salt 2.00				
	5 " Lard 15.50 lbs 13 1/2 cts				225 75
Ex. No. 23, page 11.	Rec'd pmt by note 5 ds. with int.				
	Paid note of 2nd inst. in cash				350

February 12, 1885

Ex. No. 12, page 6.	Gave David Bailey my note at ten days with int. on account			4 00
Ex. No. 15, page 10.	¹³ Bought of W. A. Bancroft 10 ch. Y. H. Tea 600 lbs 70¢ Paid him cash	120		
	Balance on account	3 00		
For the simpler transactions no references will here- after be given.	¹⁴ Sold Wardwell & Vance for cash 20 bbls Beef 16 50			
	¹⁴ Paid J. S. Baker cash on acct			50
Ex. No. 19, page 11.	¹⁵ Sold Ford & Co. 5 ch Y. H. Tea 300 lbs 85¢ 10 bbls A. C. Sugar 2500 lbs 12 48			
	Recd in payment cash	111 25		
	Their note at 3 mo. for balance	4 50		
Ex. No. 24, page 11.	¹⁶ Recd of Moore & Collins cash for note of 5th inst. due today			3 00
Ex. No. 20, page 11.	¹⁷ Student drew cash, private use			1 00
Ex. No. 26, page 12.	¹⁷ Recd of F. W. Warren cash for note of 9th due today with int. Face of note	225 75		226 05
	Interest to date 8 days	30		
Ex. No. 17, page 10.	¹⁸ Bought of Wilson & Son 20 bbls Beef 13 75 Paid them cash	75		
	My note at 30 days for balance	2 00		

February 19, 1888

Ex. No. 21, page 11.	Sold Moore & Collins on acct. 50 bbls Flour 6.75				
	²⁰ Paid W. W. Stevens cash on acct.			2.25	
	²¹ Rec'd of Ford & Co to bal acct. cash. Their note at 20 days	45.25			
		2.00		2.43.25	
	²¹ Bot of Barstow & Hodges for cash. 300 lbs. Dairy Cheese 13.75				
Ex. No. 23, page 12.	²² Ford & Co. prepaid note of 15th. Discount 2 mo. 26 da Rec'd balance in cash			4.50	
		6.42			
		4.43.58			
Ex. No. 24, page 13.	²² Paid cash for set of Office Books bought of Clark & Co. Jan 1				5.00
Ex. No. 25, page 14.	²³ Bot of S. J. Peck on note at 20 da 25 bbls Pork 11.75 10 " Beef 14				
				4.33.75	
	²⁴ Rec'd of Moore & Co. cash on acct.			2.00	
Ex. No. 26, page 15.	²⁵ Paid my note of 12th cash. due to day with int. in cash Face of note Interest to date 13 days			4.00	
				.85	
Ex. No. 27, page 16.	²⁶ Sold Seckles, Storer & Jackson 50 bbls Flour 6.00 Received cash. Balance on account			1.00	
				2.00	

		February 26, 188-			
Ex. No. 12, page 9.	Gave N. W. Stevens my note at nine days on account			200	
	²⁷ Sold Wardwell & Vance for cash				
	200 lbs Dairy Cheese 15¢				
	23 bbls Salt 2.75				
	²⁸ Prepaid my note of 15th inst.			200	
Ex. No. 27, page 12.	Discount 83 days	275			
	Paid balance in cash	197 27			
	²⁸ Paid rent of store in cash	25			
Ex. No. 7, page 9.	Paid Book-keepers salary "	75		100	
		A.S.O.			

NOTE.—After you have completed copying the foregoing transactions into your Day Book, before proceeding to journalize, draw up on foolscap paper all of the notes mentioned in the transactions for the month. (See form of note on page 21.)

Interest and Discount are computed in this work at 6 per cent., on a basis of 365 days, unless otherwise specified. When a note is given in months, the interest or discount is reckoned in months and days; if given in days, the actual number of days are taken.

After writing the notes called for above, proceed to journalize the transactions for February as you did those of January, referring when necessary to the principles and examples indicated by the figures at the left of the transactions to assist you in the work. As before stated, you should, when referring to the rules and explanations, study them carefully, that you may, as soon as possible, journalize independently, by becoming familiar with the principles of debit and credit. No reference figures are given for a few of the simpler transactions in February, it being presumed that you are sufficiently acquainted with the principles to enable you to journalize them without such assistance.

When you have completed the journalizing for February, present your journal, together with the forms of notes called for above, to the teacher for approval. You will then be prepared to begin

POSTING FEBRUARY.

As the business for February is a continuation of that of January, it will be posted under the same ledger headings, new accounts being opened, of course, as they may be required. Since full instructions for posting were given in January, you will probably not require any further assistance, as the work of posting is always substantially the same.

Should you need further aid, however, in the work, instructions for posting a few of the first journal entries in February are given below.

GUIDE FOR POSTING FEBRUARY.

FEBRUARY 1 (See this Entry in your Journal.)

Turn to Wells, Johnson & Co.'s account, on page 8 in your Ledger, and enter, on the Dr. side of their account, the date, "Feb. 1"; the page of your Journal, "3"; the amount, "200"; then turn to your Journal and check this item.

Next turn to Cash account, on page 2, and enter, on the Cr. side, the date, "Feb. 1"; the journal page, "3"; the amount, "200"; then turn to your Journal and check.

FEBRUARY 1. (Second Entry.)

Turn to Expense account, on page 6, and enter, on the Dr. side, the date, journal page and amount; then check in the Journal. Next turn to Cash account, on page 2, and enter, on the Cr. side, the date, journal page and amount; then check in the Journal.

FEBRUARY 2.

Turn to Mdse. account, on page 4, and post on the Dr. side. Next open an account with Bills Payable at the top of page 9 in your Ledger. (Bills Payable will require one page space.) Post, on the Cr. side, the date, journal page and amount. Remember to check every item in the Journal as soon as posted.

FEBRUARY 3.

Post on the Dr. side of Cash account, and on the Cr. side of Mdse. account.

FEBRUARY 5.

Open an account with Bills Receivable at the top of page 10 in your Ledger. (Bills Receivable will require one page space.) Post, on the Dr. side, the date, journal page and amount. Turn to Moore & Collins' account, and credit them with same amount.

FEBRUARY 6.

Post on Dr. side of Mdse. account. Next open an account with David Bailey at the top of page 11, and credit him with same amount.

FEBRUARY 7.

Post, on the Dr. side of Cash account, "100"; on the Dr. side of Jas. T. Hoag's account, "56.25"; on the Cr. side of Mdse. account, "156.25."

NOTE.—Continue in this manner until you have posted the entire month of February. In opening new accounts hereafter in this month, give each account one-half a page space, excepting Interest and Discount, which will require one page each.

After you have completed the posting for the entire month, your next work will be the

TRIAL BALANCE FOR FEBRUARY.

Proceed to take a Trial Balance for February, in accordance with the instructions for the January Trial Balance, given on page 20. In footing the accounts for February, add in the January footing also.

Remember that the footings are to be in pencil. Make small, plain figures, and place them close up to the line on which the last item in the account is posted, as instructed in 88, page 20.

Ford & Co.'s account balances; it is therefore to be ruled up (see form of ruling on pages 38 and 39), and omitted from your Trial Balance.

When all the accounts in your Ledger have been footed and transferred to the Trial Balance, it should agree in all respects with the Trial Balance given below.

NOTE No. 2.—If your trial balance does not prove, turn to page 21, and apply the tests for finding errors *in the exact order given*. If, after checking over the entire posting precisely as instructed in Rule 6, you do not find the error, hand your trial balance and books to the teacher, who will suggest further steps to be taken.

Trial Balance, February 28, 1888

1	Student	475	4000
2	Cash	703963	702992
3	J. S. Baker	150	300
4	Merchandise	800650	617730
5	H. W. Stevens	775	975
6	Expense	51530	
	Jas. T. Hoag	5625	
	Moore & Collins	128030	650
	Wells, J. & Co.	200	71875
	Bills Payable	950	158375
	Bills Rec.	117575	97575
	David Bailey	400	56250
	W. A. Bancroft		300
	Interest		85 30
	Discount	642	273
	Sickles S. J.	245	
		2327600	2327100

NOTE.—Questions upon some of the principles involved in the preceding set are given below, and you should be prepared to answer them if called upon to do so. Before proceeding further, therefore, study carefully the answers to the following.

QUESTIONS FOR REVIEW.

Page 7.—⁶⁸ When are Bills Payable credited? ⁶⁷ When debited? ⁶⁹ When are Bills Receivable debited? ⁶⁰ When credited? ⁷⁰ When are Interest, Discount, etc., debited? ⁷⁶ When credited? ⁶⁴ For what is Expense debited? ⁶⁵ For what credited? ⁶¹ What is generally included under the title "Cash"? ⁶² Under the title "Merchandise"? ⁶⁶ Under the title "Expense"? ⁶³ Under the title "Bills Receivable"? ⁶⁹ Under the title "Bills Payable"?

NOTE.—Before proceeding with the month of March, study the following rule and explanations for the Bank account, and also the examples given below illustrating the rule.

BANK.

Dr.

¹¹⁰ Bank is debited when a deposit is made in the bank.

Cr.

¹¹¹ Bank is credited when a check is drawn upon the bank.

¹¹² The checks drawn by other persons, which come into your possession, should be journalized as Cash. Debit Cash when you receive such checks, and credit Cash when you dispose of them. (See form of check on page 28.)

NOTE.—The following examples will illustrate the rule given above for journalizing the Bank account.

EXAMPLE No. 30.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
		ITEMS.	TOTAL.			DR.	CR.
Opened an account at City Bank, and deposited, Cash.				City Bank, Dr.		1500	
			1500	To Cash, Cr.			1500

EXAMPLE No. 31.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
		ITEMS.	TOTAL.			DR.	CR.
Bo't of W. E. Brown, 25 bbls. Flour, @ 8.00, Paid for same by check on City Bank.				Mdse., Dr.		200	
			200	To City Bank, Cr.			200

EXAMPLE No. 32.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
		ITEMS.	TOTAL.			DR.	CR.
Received of H. A. Strong, his check on First National Bank, in settlement of his account,				Cash, Dr.		200	
			200	To H. A. Strong, Cr.			200

EXAMPLE No. 33.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
		ITEMS.	TOTAL.			DR.	CR.
Paid J. A. Richmond, on account, H. A. Strong's check on First National Bank,				J. A. Richmond, Dr.		200	
			200	To Cash, Cr.			200

NOTE.—The Bank account is sometimes kept in the Check Book instead of in the Ledger, the balance in bank being considered as cash on hand. When this method is adopted, no entry is made in the Cash account at the time of depositing, Cash account being credited when a check is drawn upon the bank. This method of keeping the Bank account will be illustrated in a more advanced part of the work.

You may now proceed to copy the transactions for the month of March into your Day Book. One page only is written up, the remaining transactions being simply in the form of a connected statement or history, from which you are to copy, arranging the work as heretofore. In a few cases references are made to similar transactions, to assist you in the proper arrangement of the work in your Day Book.

NO. 734.

CINCINNATI, O., Sept. 24, 1884.

FOURTH NATIONAL BANK,

OF CINCINNATI.

PAY TO

James H. Williams,

OR ORDER,

Seventeen Hundred Nine

DOLLARS,

\$ 1709.

John Huntington

March 1, 33rd

38, page 6. 23, page 6. 48, page 6.	Bought of W. N. Stevens on acct. 20. bbls. Corn 11 15			
	² Paid M. A. Bancroft cash on acct.		100	
	³ Sold Jas. T. Hoag 100 lbs. Dairy Cheese 15 1/2 ¹ 120 " W. N. Tea. 85 8			
	Recd. in payment cash.	50		
	Balance on account	67 50		
39, page 6. 39, page 6. 37, page 6.	³ Student invested additional cash		1000	
53, page 7. 40, page 6.	⁴ Bought of Andrew Stebbins for cash House & Lot, 438 Main St.		2000	
53, page 7. 24, page 6.	⁵ Recd. of Moore & Collins their note at twelve days with int. on ac.		500	
	⁵ Sold Mitchell Bros. for cash 5 bbls. Sugar 1250 lbs. 12 3/4 8		159 38	
47, page 6. 40, page 6.	⁶ Bought of Wells, Johnson & Co. 50 bbls. Flour 7 00 25 " Beef 14 00			
68, page 7. 24, page 6.	Gave in payment cash	150		
	My note at sixty days	300		
	Balance on account			
	⁷ Recd. of Sickle, Storr & Jackson cash to apply on account		225	
	⁷ Recd. of Jas. T. Hoag cash on acct.		25	

MARCH 7, 188—.

Sold Clark, Sons & Bradley, on $\frac{1}{4}\%$, 3750 lbs. Lard, @ 13 $\frac{1}{4}$ c. Arrange this transaction in your Day Book same as Feb. 19, page 24. (See note at bottom of page.)

9.

59, pa. 7.
48, pa. 6.

Sold D. B. Martin, 20 bbls. Pork, @ 13.25; 30 bbls. Flour, @ 8.25; 15 bbls. Beef, @ 15.75. Rec'd payment by note at 90 days. (See form of Day Book entry, Feb. 9.)

"

Paid February Gas Bill, in Cash, 4.75. (See form of Day Book entry, Jan. 6.)

10.

67, pa. 7.
40, pa. 6.

Paid my note of Feb. 26, favor of H. W. Stevens, in Cash. (For amount of this note, see Day Book, Feb. 26; and for form of Day Book entry, see Feb. 11.)

11.

Rec'd Cash of Clark, Sons & Bradley, on $\frac{1}{4}\%$, 200.00.

12.

67, pa. 7.
76, pa. 7.
40, pa. 6.

Prepaid my note of Feb. 23, favor of L. J. Peck, due Mar. 18th, 433.75. Discount to maturity, 6 days, 43c. Balance paid in Cash, 433.32. (See Day Book form, Feb. 28.)

13.

Paid David Bailey, Cash on $\frac{1}{4}\%$, 62.50.

"

47, pa. 6.
68, pa. 7.
24, pa. 6.

Bo't of W. A. Bancroft, 600 lbs. Y. H. Tea, @ 65c.; 1600 lbs. Java Coffe, @ 28c. Gave him, in payment, my note at 10 days, with interest, 500.00; balance on $\frac{1}{4}\%$. (Day Book form, Feb. 18.)

14.

Ex. 30, p.
28.

Opened an account at College Bank, and deposited Cash, 500.00. (See example No. 30, on page 28, for form of Day Book entry.)

15.

39, pa. 6.
59, pa. 7.
25, pa. 6.
48, pa. 6.

Sold Ford & Co., 20 bbls. Flour, @ 8.25; 18 bbls. Beef, @ 15.75; 30 bbls. Pork, @ 13.50. Rec'd in payment, Cash, 353.50; their note at 10 days, with interest, 300.00; balance on $\frac{1}{4}\%$. (See Day Book form, March 6.)

16.

89, pa. 6.
60, pa. 7.

Rec'd Cash of Ford & Co., for their note of Feb. 21st, due to-day. (See your Day Book, Feb. 21, for amount of this note.)

17.

Paid J. S. Baker, Cash in full of $\frac{1}{4}\%$. (See his $\frac{1}{4}\%$ in your Ledger for amount you owe him.)

18.

Ex. 31, p.
28.

Bo't of H. W. Stevens, 100 bbls. Salt, @ 2.15, and paid for same by check on College Bank. (See Example No. 31, on page 28, for form of Day Book entry, and form of check on page 28.)

19.

75, pa. 7.
39, pa. 6.
60, pa. 7.

D. B. Martin prepaid his note of 9th inst., due June 10th, 748.75. Discount to maturity, 83 days, 10.22. Rec'd Cash for balance, 738.53. (See Day Book form, Feb. 22.)

"

Sold D. V. Bell, for Cash, 50 bbls. Salt, @ 2.55.

20.

39, pa. 6.
60, pa. 7.
76, pa. 7.

Rec'd Cash of Moore & Collins, for their note of 5th inst., due to-day, with interest. Face of note, 500.00; interest to date, 15 days, 1.23. (See Day Book form, Feb. 17.)

21.

Deposited Cash in College Bank, 1200.00.

22.

Sold Wardwell & Vance, for Cash, 10 bbls. Pork, @ 13.75; 10 bbls. Beef, @ 15.50.

NOTE.—Whenever the fraction is five mills or over, add another cent; when less than five mills, drop the fraction.

	23.	
39, pa. 6. 31, pa. 7.	Sold Henry F. Mixer, the House and Lot No. 718 Main St., for Cash, 2300.00.	
	24.	
36, pa. 6. 40, pa. 6.	Student (————) drew Cash from the business, for private use, 125.00.	
	25.	
	Rec'd of Moore & Collins, their note at 20 days, to balance $\frac{1}{2}\%$, 130.30. (See Day Book form, Feb. 5th.)	
	26.	
	Sold Sickles, Stover & Jackson, 800 lbs. Java Coffee, @ 32c.; 180 lbs. Y. H. Tea, @ 85c. Rec'd in payment, Cash, 209.00; balance on $\frac{1}{2}\%$.	
	"	
67, pa. 7. 75, pa. 7. 111, p. 27.	Paid my note of 13th inst., favor Bancroft, due to-day, with interest, by check on College Bank. Face of note, 500.00; interest to date, 13 days, 1.07. (See Day Book form, Feb. 25.)	
	27.	
23, pa. 6. 111, p. 27.	Gave W. A. Bancroft a check on College Bank, to apply on $\frac{1}{2}\%$, 500.00.	
	"	
	Rec'd Cash of Sickles, Stover & Jackson, on $\frac{1}{2}\%$, 50.00.	
	28.	
	Rec'd Cash of Ford & Co., for their note of 15th inst., due to-day, with interest. Face of note, 300.00; interest to date, 13 days, 64c.	
	29.	
	Paid Book-keeper's salary for the month in Cash, 75.00.	
	30.	
	Rec'd Cash of Clark, Sons & Bradley on $\frac{1}{2}\%$, 100.00.	
	31.	
	Deposited Cash in College Bank, 3500.00.	
	"	
	Paid Rent of Store, by check on College Bank, 25.00.	

NOTE.—Copy the Inventories as given below into your Day Book, immediately following the transactions for March. When the inventory includes a long list of goods, a separate book, called the "Inventory Book," may be employed.

RESOURCE INVENTORIES, MARCH 31, 188—.

MERCHANDISE.									
100	bbls.	Flour,	-	-	-	-	-	@ 7.00,	700
50	"	Salt,	-	-	-	-	-	2.13,	106
600	lbs.	Y. H. Tea,	-	-	-	-	-	65c.	390
800	"	Java Coffee,	-	-	-	-	-	28c.	224
									1420
									50
EXPENSE.									
		Office Safe, valued at	-	-	-	-	-	-	250
		" Books, "	-	-	-	-	-	-	50
									300

¹¹³ An Inventory represents, generally, property on hand, as in the case above. ¹¹⁴ It may, however, represent a debt owing to us or owing by us, such as interest accrued on notes, unpaid rent, etc. ¹¹⁵ An Inventory may, therefore, show either a resource or a liability.

¹¹⁶ In business, the inventory of goods on hand is usually found by going through the store, weighing, measuring or counting the articles, ¹¹⁷ their value being estimated usually at the price at which they could then be purchased. ¹¹⁸ In some kinds of wholesale business it is advantageous to keep what is called a "Stock Book," from which the quantity of goods on hand can be determined at any time, and with much less labor than by the method described above.

NOTE.—Having completed copying the Day Book for March, journalize the transactions, consulting the examples and rules to which references are made, as you may find it necessary. After you have journalized the entire month, before commencing to post, write up, on foolscap paper, the checks mentioned in the transactions of March 13 and 26 (see form of check on page 28), and present them, with your Journal, to the teacher for approval.

POSTING MARCH.

The business of March being a continuation of that of January and February, it will be posted under the same ledger headings, opening such new accounts as may be required.

Give all new accounts in this month one-half of a page space, excepting College Bank, which will require one page.

BALANCE SHEET.

After you have completed the posting for March, you may next ¹¹⁹make out a "Balance Sheet," for the purpose of ascertaining the exact condition of the business at the present time.

¹²⁰The Balance Sheet as illustrated on page 34 combines with the Trial Balance a statement, exhibiting in a condensed and convenient form for reference, the Resources, Liabilities, Losses and Gains of the business. In performing this work, it is of the utmost importance to you that you *do not merely copy* the form of Balance Sheet. To do the work understandingly, securing a knowledge of the relations of the various accounts to the business, it is *absolutely essential* that you take each step in the order indicated, and perform the work precisely as directed in the instructions which follow.

GUIDE FOR MAKING BALANCE SHEET FOR MARCH.

If you have not in your Trial Balance book a form ruled to correspond with the one shown on page 34, you will rule a sheet. First take a trial balance of your Ledger, precisely as instructed for January and February; that is, foot the accounts in pencil, and carry the footings to the *first two* columns of your Balance Sheet. Do not extend any amounts to the other columns until you have thus drawn off into your Balance Sheet all of the ledger accounts and footed the columns, to ascertain whether your Ledger is in balance. If your trial balance proves—that is, if the first two columns foot equally—your next step will be to extend the Resources, Liabilities, Losses and Gains, as shown by the various accounts as follows:

CASH.

Commence with Cash, it being the first account in your Balance Sheet, following the Proprietor's (Student's) account. ¹²¹The difference between the Dr. footing, 15871.91—the cash received—and the Cr. footing, 15530.49—the cash paid out—is 341.42, which you are to extend to the Resource column in your Balance Sheet, because it is the cash on hand. (See 32, page 6.)

MERCHANDISE.

¹²²First enter, in the Resource column, the Mdse. on hand—that is the Inventory as shown on page 31—1420.50. (See 32, page 6.) Make the entry in *red ink*, to distinguish it from the resources shown by the ledger accounts. Next find the gain on Mdse. account by either of the following methods, and extend into the Gain column of your Balance Sheet 803.62. (See 31, page 6.)

¹²³ FIRST METHOD.		¹²⁴ SECOND METHOD.	
Sales of Mdse. (Cr. footing),	9,377.62	Sales of Mdse.	9,377.62
Inventory (goods on hand, page 31), . . .	1,420.50	Cost of Mdse.	9,994.50
	<hr/>	Inventory "	1,420.50
	10,798.12		<hr/>
Cost of Mdse. (Dr. footing),	9,994.50		8,574.00
	<hr/>		<hr/>
Gives the gain,	803.62	Gives the gain,	803.62

H. W. STEVENS.

¹²⁵The Cr. footing of his account is 1210, and the debit footing 775. You are to extend to the Liability column the difference, 435, because it is the balance you owe him. (See 33, page 6.)

FORD & CO.

¹²⁶The debit footing of their account is 200, and, there being no credit, extend the 200 to the Resource column, it being the amount they owe you. (See 32, page 6.)

EXPENSE.

¹²⁷ First enter, in the Resource column, the Expense Inventory, 300, given on page 31. (See 32, page 6.) Enter the item in *red ink*, as explained for Mdse. Inventory. Next enter, in the Loss column, 320.05, the loss on Expense account (see 30, page 6). ¹²⁸ This you will find by deducting the Expense Inventory, 300, from the Dr. footing of Expense account, 620.05, because the Safe and Books, when bought, were charged to Expense account, and are therefore included in the Dr. footing, 620.05.

JAS. T. HOAG.

The Dr. footing of his account is 123.75, and the Cr. footing 25. You are to extend to the Resource column the difference, 98.75, because it is the balance he owes you (32, page 6).

WELLS, JOHNSON & CO.

The Cr. footing of their account is 968.75, and the Dr. footing 200. You are to extend to the Liability column the difference, 768.75, it being the balance you owe them (33, page 6).

BILLS PAYABLE.

¹²⁹ The difference between the Cr. footing, 2383.75 (the notes issued), and the Dr. footing, 2083.75 (notes redeemed), is 300, which you are to extend to the Liability column, it being the Bills Payable outstanding (33, page 6).

BILLS RECEIVABLE.

¹³⁰ The difference between the Dr. footing, 2854.80 (the notes received), and the Cr. footing, 2724.50 (notes disposed of), is 130.30, which you are to extend to the Resource column, it being the Bills Receivable on hand (32, page 6).

DAVID BAILEY and W. A. BANCROFT.

Same instructions and explanations for these accounts as given above for H. W. Stevens' account.

INTEREST.

¹³¹ The difference between the Cr. footing, 2.17 (the interest allowed to us), and the Dr. footing, 1.92 (the interest allowed by us), is 25c, which you are to extend to the Gain column (31, page 6).

DISCOUNT.

¹³² The difference between the Dr. footing, 16.64 (the discount allowed by us), and the Cr. footing, 3.16 (the discount allowed to us), is 13.48, which you are to extend to the Loss column (30, page 6).

SICKLES, STOVER & JACKSON.

Same instructions and explanations as given above for Jas. T. Hoag's account.

REAL ESTATE.

¹³³ The difference between the Cr. footing, 2300 (the returns from sales), and the Dr. footing, 2000 (the cost), is 300, which you are to extend to the Gain column (31, page 6).

CLARK, SONS & BRADLEY.

Same instructions and explanations as given above for Jas. T. Hoag's account.

COLLEGE BANK.

¹³⁴ The difference between the Dr. footing, 5200 (the amount deposited), and the Cr. footing, 1241.07 (the amount withdrawn), is 3958.93, which you are to extend to the Resource column, it being the balance on deposit in the bank (32, page 6).

You may now foot the remaining columns of your Balance Sheet, viz: the Resource, Liability, Loss and Gain columns, after which make a summary of the results, as shown in the form of Balance Sheet on page 34.

¹³⁵ When the losses exceed the gains, the difference is called the "Net Loss." ¹³⁶ In such case the Net Loss is to be deducted from the Net Investment, to find the Present Worth.

¹³⁷ When the Liabilities exceed the Resources, the Proprietor is said to be "Insolvent."

Balance Sheet, March 31, 1885

	Resources		Liabilities	Losses	Gains
1 Student	600	5000			
2 Cash	15871 91	15530 49	341 42		
4 Merchandise	9994 50	9377 62			803 62
5 W. W. Stevens	775	1210	435		
Ford & Co.	200	200			
Expense!	620 05			320 05	
Jas. T. Hoag	123 15	25	98 75		
Wells J. & Co.	200	968 75	768 75		
Bills Payable	2083 75	2383 75	300		
Bills Rec.	2854 80	2724 50	130 30		
David Bailey	462 50	562 50	100		
W. A. Bancroft	600	638	38		
Interest	1 92	2 17			25
Discount	16 64	3 16		13 48	
Sickles S. & J.	445	275	170		
Real Estate	2000	2380			300
Clark S. & D.	492 19	300	192 19		
College Bank	5200	1241 07	3958 93		
	42542 01	42542 01	6812 09	1641 75	333 53
					1103 87

Summary

Gains	1103 87	Students Credit	5000
Losses	333 53	Debit	600
		Net Credit	4400
		Net Gain	770 34
Resources	6812 09		
Liabilities	1641 75		

NOTE.—On April 1 you are to admit D. W. Leonard as a partner in your business. You may therefore close your Ledger, with that object in view, as explained below.

First read carefully the following "General Rules for Closing the Ledger," and then proceed with the work as instructed under "Guide for Closing the Ledger for March," on page 36.

CLOSING THE LEDGER.

¹³⁸ It is customary in business, once a year at least, to take an inventory of goods on hand, ¹³⁹ and close those accounts in the Ledger which show losses and gains, ¹⁴⁰ for the purpose of carrying the Net Gain or Net Loss to the Proprietor's account, thereby causing it to show his present worth.

¹⁴¹ The remaining accounts at such time, that is, those showing resources and liabilities, are not usually closed. ¹⁴² All of the accounts, however, may be and sometimes are closed, the object being to mark a period, or new starting point in the business, as the beginning of a new business year, the admission of a new partner, or the opening of a new Ledger.

GENERAL RULES FOR CLOSING THE LEDGER.

¹⁴³ LOSS AND GAIN ACCOUNT OPENED.

Open an account with "Loss and Gain," at the top of the first blank page following the last account in your Ledger, if you have not already opened such an account.

¹⁴⁴ ACCOUNTS CLOSED IN THE ORDER IN WHICH THEY APPEAR IN THE LEDGER.

To economize time, and to avoid omissions, close the accounts in the order in which they stand in the Ledger, omitting the Proprietor's account until all the other accounts in the Ledger have been closed.

¹⁴⁵ ACCOUNTS HAVING RESOURCE INVENTORIES CLOSED.

If an account has a Resource Inventory, enter the amount of it on the credit side of the account, in *red ink*, using for explanation "Inventory." Next enter, on the smaller side of the account, in *red ink*, the difference between the sides, using for explanation "Loss and Gain." Next rule up the account and enter the footings, carrying the Inventory below the rulings, on the debit side of the account, in *black ink*. Next transfer the loss and gain amount to the opposite side of Loss and Gain account, in *black ink*, using for explanation the title of the account you are closing, as "Expense" or "Merchandise."

¹⁴⁶ ACCOUNTS HAVING LIABILITY INVENTORIES CLOSED.

If an account has a Liability Inventory, enter the amount of it on the debit side of the account, in *red ink*, using for explanation "Inventory." Next enter, on the smaller side of the account, in *red ink*, the difference between the sides, using for explanation "Loss and Gain." Next rule up the account and enter the footings, carrying the Inventory below the rulings on the credit side of the account, in *black ink*. Next transfer the loss and gain amount to the opposite side of Loss and Gain account, in *black ink*, using for explanation the title of the account you are closing, as "Expense" or "Interest."

¹⁴⁷ ACCOUNTS SHOWING GAINS HAVING NO INVENTORIES CLOSED

Enter, on the debit side, in *red ink*, "Loss and Gain," and the difference between the sides of the account. Rule up the account, enter the footings, and transfer the loss and gain amount to the credit side of Loss and Gain account, in *black ink*, using for explanation the title of the account you are closing, as "Mdse.," "Real Estate," etc.

¹⁴⁸ ACCOUNTS SHOWING LOSSES HAVING NO INVENTORIES CLOSED.

Enter, on the credit side, in *red ink*, "Loss and Gain," and the difference between the sides of the account. Rule up the account, enter the footings, and transfer the loss and gain amount to the debit side of Loss and Gain account, in *black ink*, using for explanation the title of the account you are closing, as "Expense," "Interest," etc.

¹⁴⁹ ACCOUNTS SHOWING RESOURCES CLOSED.

Enter, on the credit side of the account, in *red ink*, "Balance" and the difference between the sides. Rule and foot the account, and carry the difference below the rulings, on the debit side, in *black ink*, using for explanation "Balance."

¹⁵⁰ ACCOUNTS SHOWING LIABILITIES CLOSED

Enter, on the debit side of the account, in *red ink*, "Balance" and the difference between the sides. Rule and foot the account, and carry the difference below the rulings, on the credit side, in *black ink*, using for explanation "Balance."

¹⁵¹ LOSS AND GAIN ACCOUNT CLOSED.

Enter on the smaller side of Loss and Gain account, in red ink, the proprietor's name and the difference between the sides, which difference will be the Net Gain or Net Loss. Rule and foot the account, and carry the difference to the opposite side of the proprietor's account, in black ink, using "Loss and Gain" for explanation. In case of a partnership, the difference should be divided according to the terms of the partnership contract, and each partner's name and share entered separately in the Loss and Gain account, and afterward transferred to the opposite side of his individual account.

¹⁵² THE PROPRIETOR'S ACCOUNT CLOSED.

Enter on the smaller side, "Present Worth" and the difference between the sides, in red ink. Rule and foot the account, and bring the difference below the rulings on the credit side of the account, in black ink, using "Present Worth" for explanation. In case the debit side of the proprietor's account is greater, the difference will be entered as "Insolvency." In case of a partnership, each partner's account should be closed as described above. This completes the closing of the Ledger.

NOTE.—After you have carefully read the "General Rules for Closing the Ledger," given above, you may proceed with the work of closing your Ledger.

To assist you in applying the foregoing rules, a few closed accounts are shown on pages 38 and 39, and *explicit* directions are given below for every step to be taken, and you should follow these directions very carefully. Take each step in the *exact order* indicated, and perform the work precisely as directed.

GUIDE FOR CLOSING THE LEDGER, MARCH 31, 188—.

First, at the top of a new page in your Ledger, open an account with Loss and Gain. Simply write the heading. No entry is to be made in the account for the present.

Then turn to the first account in your Ledger following the Proprietor's (Student's) account, which is

CASH.

On the first vacant line on the Cr. side of this account say, *in red ink*, "Mar. 31, Balance, 341.42." Next rule and foot the account. (See Cash account closed, on page 38.)

¹⁵³ In ruling an account, draw the red line directly *upon* the blue line. In the double ruling, draw the lines as close as possible and not have them run together. Rule on the *same line* on both sides of the account, even if there be a larger number of entries upon one side than upon the other. (See ruling, on page 38.)

¹⁵⁴ The space for Cash on page 2 having been filled, open another Cash account at the top of a new page in your Ledger, and transfer the balance, 341.42, forward to the new account, as follows: On the Dr. side of the new Cash account say, *in black ink*, "Apr. 1, Balance, 341.42."

¹⁵⁵ In the *page column* of the old Cash account, enter the page of the new account, to show where the balance was *transferred to*; and in the page column of the new account, enter the page of the old account, to show where the balance was *transferred from*.

¹⁵⁶ Red ink entries in the Ledger indicate that the amounts so entered are *to be transferred to some* other place.

MERCHANDISE.

On the Cr. side of this account enter, first, the inventory. Say, *in red ink*, "Mar. 31, Inventory, 1420.50." Then, on the Dr. side, enter the gain. Say, *in red ink*, "Mar. 31, Loss and Gain, 803.62," and enter in page column the page of the Loss and Gain account. Next rule and foot the account (see Mdse. account closed, on page 38). Next transfer the gain to the Cr. side of the Loss and Gain account. Say, *in black ink*, "Mar. 31, Mdse., 803.62," and enter page of Mdse. account. Next transfer the inventory below the ruling on the Mdse. account, on the Dr. side. Say, in black ink, "Apr. 1, Inventory, 1420.50."

H. W. STEVENS.

On Dr. side of this account say, *in red ink*, "Mar. 31, Balance, 435." Next rule and foot the account. Next transfer the balance below the ruling on the Cr. side. Say, *in black ink*, "Apr. 1, Balance, 435." (See Stevens' account closed, on page 38.)

FORD & CO

Only one item having been posted to this account since it was balanced and ruled up, it is unnecessary now to close it, the balance, 200, being shown as it stands.

EXPENSE.

On the Cr. side of this account enter, first, the inventory. Say, *in red ink*, "Mar. 31, Inventory, 300." Next enter, on the same side of the account, the loss. Say, *in red ink*, "Mar. 31, Loss and Gain, 320.05," and enter page of Loss and Gain account. Next rule and foot the account. Next

transfer the loss to the Dr. side of the Loss and Gain account. Say, in *black ink*, "Mar. 31, Expense, 320.05," and enter page of Expense account. Next transfer the inventory below the ruling of the Expense account, on the Dr. side. Say, in black ink, "Apr. 1, Inventory, 300." (See Expense account closed, on page 39.)

JAS. T. HOAG.

On Cr. side of this account say, in red ink, "Mar. 31, Balance, 98.75." Next rule and foot the account. Next transfer the balance below the ruling, on the Dr. side. Say, in black ink, "Apr. 1, Balance, 98.75." (See Hoag's account closed, on page 39.)

WELLS, JOHNSON & CO.

Take the same steps in closing this account that you did in closing H. W. Stevens' account. (See directions for closing his account, on page 36.)

BILLS PAYABLE.

On the Dr. side of this account say, in red ink, "Mar. 31, Balance, 300." Rule and foot the account, and transfer the balance below the ruling, on the Cr. side. Say, in black ink, "Apr. 1, Balance, 300."

BILLS RECEIVABLE.

On the Cr. side of this account say, in red ink, "Mar. 31, Balance, 130.30." Rule and foot the account, and then transfer the balance below the ruling on the Dr. side. Say, in black ink, "Apr. 1, Balance, 130.30."

DAVID BAILEY and W. A. BANCROFT.

Same instructions as given for closing H. W. Stevens' account.

INTEREST.

On Dr. side of this account say, in red ink, "Mar. 31, Loss and Gain, 25c." and enter page of Loss and Gain account. Next rule and foot the account. Next transfer the gain to the Cr. side of the Loss and Gain account. Say, in black ink, "Mar. 31, Interest, 25c," and enter page of Interest account. (See Interest account closed, page 39.)

DISCOUNT.

On Cr. side of this account say, in red ink, "Mar. 31, Loss and Gain, 13.48," and enter page of Loss and Gain account. Rule and foot the account; then transfer the loss to the Dr. side of the Loss and Gain account. Say, in black ink, "Mar. 31, Discount, 13.48." (Remember always to enter the number of the page, when amounts are transferred to or from some other page in the Ledger.

SICKLES, STOVER & JACKSON.

Same instructions as given for closing Jas. T. Hoag's account. (See Hoag's account closed, on page 39.)

REAL ESTATE.

On Dr. side say, in red ink, "Mar. 31, Loss and Gain, 300." Rule and foot the account, and then transfer the gain to the Cr. side of Loss and Gain account. Say, in black ink, "Mar. 31, Real Estate, 300."

CLARK, SONS & BRADLEY.

Same instructions as given for closing Jas. T. Hoag's account.

COLLEGE BANK.

On Cr. side say, in red ink, "Mar. 31, Balance, 3958.93." Rule and foot the account, and transfer the balance below the ruling on the Dr. side. Say, in black ink, "Apr. 1, Balance, 3958.93."

LOSS AND GAIN.

On Dr. side of this account say, in red ink, "Mar. 31, Student, 770.34." Rule and foot the account; then transfer the Net Gain to the Cr. side of Student's account. Say, in black ink, "Mar. 31, Loss and Gain, 770.34." (See account closed, on page 39.)

STUDENT.

On Dr. side of this account say, in red ink, "Mar. 31, Present Worth, 5170.34." Rule and foot the account; then transfer the difference below the ruling, on the Cr. side. Say, in black ink, "Apr. 1, Present Worth, 5170.34." (See account closed, on page 38.)

Your Ledger is now closed, and the purpose of such closing has been accomplished, viz: ¹⁵⁷The Proprietor's account has been made to show his present worth, and ¹⁵⁸the resources and liabilities representing such present worth are exhibited below the rulings of the various accounts showing them.

NOTE.—This subject continued on page 40.

Student.

Dr.			Cr.		
Jan 1	1	300	Jan 1	1	4000
18	2	75	Mar 7	7	1000
Feb 17	5	100			5000
Mar 24	8	125	31 Loss & Gain	16	77034
		600			
		577034			577034
			Apr 1 Pres North		577034

Cash.

Dr.			Cr.		
Mar 22	8	29250	Mar 21	8	1200
28	8	30064	24	8	125
30	9	100	29	9	75
		1587191	31	9	3000
					1553049
		1587191			1587191

Merchandise

Dr.			Cr.		
Mar 18	7	21550	Mar 15	7	76952
31			19	8	85350
			22	8	12750
			26	8	29250
					409
					137762
		1079812			1079812
Apr 1 Inventory		142050			

H. W. Stevens.

Dr.			Cr.		
Feb 20	5	225	Mar 1	6	275
26	5	200			235
Ma 5, Balance		775			1210
		1210			
			Apr 1 Balance		435

James T. Hoag.

188-			188-		
Jan 20	2	3 50	Jan. 12	1	3 50
Feb. 7	4	56 25	Mar 7	7	25
Mar 3	6	67 50			
		123 75			123 75
Apr 1 Balance		98 75			

Expense.

188-					
Mar 9	7	515 30			
		4 75			
29	4	75			
31	9	25			
		620 05			620 05
Apr. 1 Inventory		300			

Interest.

188-			188-		
Feb. 25	5	85	Feb. 17	5	30
Mar 26	8	1 07	Mar 20	8	1 23
		1 92	28	8	64
					2 17
		2 17			2 17

Loss & Gain.

188-			188-		
Mar 31 Expense	6	320 05	Mar 31 Molde	4	803 62
31 Discount	13	13 48	31 Interest	12	25
31		333 53	31 Real Est.	13	300
					1103 87
		1103 87			1103 87

¹⁵⁹ In closing the accounts, the equilibrium of the Ledger has not been disturbed, ¹⁶⁰ as, in every instance where an amount was entered in an account, either upon the debit or credit side of the Ledger, the *same amount* was immediately transferred to the *opposite* side of the Ledger, either in some other account or below the rulings of the same account, thus keeping the Ledger constantly in balance. A trial balance, to prove that your Ledger is now in balance, should be taken, and if correct will correspond with the following:

TRIAL BALANCE OF LEDGER BALANCES, APRIL 1, 188—.

¹⁶¹ RESOURCES (Dr. Balances).		¹⁶² LIABILITIES (Cr. Balances).	
Cash,	341.42	Bills Payable,	300.00
Mdse. Inv.	1,420.50	Personal Accounts,	1,341.75
Expense Inv.	300.00	Total Liabilities,	1,641.75
Bills Receivable,	130.30	Student's Present Worth,	5,170.34
College Bank,	3,958.93		
Personal Accounts,	660.94		
Total Resources,	6,812.09		6,812.09

NOTE.—After you have proved your Ledger to be in balance, as above indicated, you will be ready to proceed with the month of April. Before doing so, however, write out upon foolscap paper answers to the following questions, and present them, with your books, to the teacher for approval.

QUESTIONS FOR REVIEW.

Page 5.—¹⁻² What is Book-keeping? ⁶⁻⁸ Describe the use of the Day Book. ⁹⁻¹³ The Journal. ¹⁴⁻²⁰ The Ledger. ²² Give the three kinds of accounts used in Double Entry.

Page 6.—²³⁻²⁴ Give the rule for journalizing Personal accounts. ²⁵⁻²⁶ Property. ²⁷⁻²⁸ Allowances. ²⁹ Into how many general classes are the three kinds of accounts divided? ³⁰ When does an account show a Loss? ³¹ When a Gain? ³² What is a Resource? ³³ Liability? ³⁶⁻³⁷ Give the rule for journalizing the Proprietor's account. ³⁹⁻⁴⁰ Cash. ⁴⁷⁻⁴⁸ Mdse.

Page 7.—⁵⁴⁻⁵⁵ Expense. ⁵⁹⁻⁶⁰ Bills Receivable. ⁶⁷⁻⁶⁸ Bills Payable. ⁷⁵⁻⁷⁶ Interest, Discount, etc.

Page 20.—⁸¹ What is a Trial Balance? ⁸²⁻⁸⁴ Why does it not prove the Ledger absolutely correct? ⁹² When may an account be omitted from the Trial Balance?

Page 21.—⁹⁵ What is the first thing to be done to locate an error in the Trial Balance? ⁹⁶⁻⁹⁷ The second? ⁹⁹ What effect would the omission of an amount in posting have upon the Trial Balance? ¹⁰⁰ What if posted to the wrong side of the Ledger? ¹⁰² What is the peculiarity of an error caused by figures having been transposed? ¹⁰³ When all of the short tests for finding the error fail, what is it necessary to do as a final resort? ¹⁰⁷⁻¹⁰⁹ Why is it necessary to indicate by a check mark in the Ledger that each item has been examined?

Page 27.—¹¹⁰⁻¹¹¹ Give the rule for journalizing Bank account. ¹¹² How are the checks of other parties in your hands treated?

Page 31.—¹¹³⁻¹¹⁵ What is an Inventory? ¹¹⁶⁻¹¹⁷ How found usually, and at what price are the goods estimated?

Page 32.—¹²⁰ What are exhibited in the Balance Sheet? ¹²² In what column are the Inventories entered? ¹²³⁻¹²⁴ How is the gain on Mdse. found?

Page 33.—¹²⁸ How is the loss on Expense found?

Page 34.—What does the difference between the footings of the columns of Resources and Liabilities show? (See Summary, also 137, page 33.) What does the difference in the footings of the columns of Losses and Gains show? (See Summary, also 135, page 33.) How is the Present Worth of the proprietor ascertained? (See Summary, also 136, page 33.)

Page 35.—¹⁴³ What new account is it sometimes necessary to open in closing the Ledger? ¹⁴⁴ In what order should the accounts of the Ledger be closed? ¹⁴⁵ How are accounts having resource inventories closed? ¹⁴⁶ How are accounts having liability inventories closed? ¹⁴⁷ How are accounts showing gains, having no inventories, closed? ¹⁴⁸ How are accounts showing losses, having no inventories, closed? ¹⁴⁹ How are accounts showing resources closed? ¹⁵⁰ How are accounts showing liabilities closed?

Page 36.—¹⁵¹ How is the Loss and Gain account closed? ¹⁵² How is the Proprietor's account closed? How are partners' accounts closed?

NOTE.—Before proceeding with the month of April, study carefully the following explanations and examples on pages 41, 42, 43 and 44.

DRAFTS.

¹⁶³ A Draft is the written order of one party upon a second, requesting the payment of a sum of money to a third. ¹⁶⁴ The party drawing the draft is the "Drawer." ¹⁶⁵ The party upon whom the draft is drawn is the "Drawee." ¹⁶⁶ The party to whom the draft is made payable is the "Payee."

¹⁶⁷ The draft is employed, usually, as a medium of exchange between distant places, obviating the expense and risk of sending money.

¹⁶⁸ Drafts may be drawn with reference to time in three different ways, viz: ¹⁶⁹ At sight. ¹⁷⁰ a specified number of days after sight, or ¹⁷¹ a specified number of days after date. ¹⁷² Drafts drawn "at sight" are presented to the Drawee for payment. ¹⁷³ Time drafts are presented for "acceptance."

¹⁷⁴ Acceptance, when applied to drafts, signifies the written acknowledgement of the Drawee, that he agrees to the conditions named in the draft. ¹⁷⁵ This he does by writing across the face of the draft, usually in red ink, to distinguish the acceptance from the other writing, the word Accepted, the date, where payable, and his signature. ¹⁷⁶ It is not necessary to date the acceptance when the draft is drawn a given number of days after date.

\$ *244.25* BALTIMORE, MD., *Oct. 25, 188-*

At ten days sight PAY TO
Willitson, Burgess & Hait, OR ORDER,
Twenty-four Hundred Fourteen ²⁵/₁₀₀ DOLLARS.

VALUE RECEIVED, AND CHARGE TO ACCOUNT OF

To *J. V. Wentworth*
 No. *24* *Albany, N.Y.* } *Perry & Jackson!*

In the above draft, the firm of Perry & Jackson is Drawer. J. V. Wentworth is Drawee, and the firm of Willitson, Burgess & Hait, is Payee. The parties sustain the following relations to each other: Perry & Jackson owe Willitson, Burgess and Hait, and Wentworth owes Perry & Jackson. Perry & Jackson, who reside in Baltimore, draw the draft and remit it to Willitson, Burgess & Hait, who reside in Albany. Immediately upon its receipt, they present it to Wentworth, who also resides in Albany, for acceptance. If accepted, Willitson, Burgess & Hait will hold Wentworth's written promise to pay, which, when paid, will cancel the indebtedness of both Perry & Jackson and Wentworth.

¹⁷⁷ The Payee has no legal claim against the Drawee until after the draft has been accepted.

¹⁷⁸ There need necessarily be but two parties to a draft. ¹⁷⁹ The Drawer may make the draft payable to himself, in which case he either sends it to the Drawee to be accepted and returned, or, if his (the Drawer's) credit be unquestioned, he may dispose of it before acceptance.

¹⁸⁰ What are termed "Bank Drafts" constitute a large proportion of the business transacted through this medium of exchange. ¹⁸¹ All banks keep money deposited with one or more of the banks located at some one of the commercial centers of the country, as New York, Boston, Chicago, San Francisco, New Orleans, etc., against which they draw drafts to sell to their customers for remittance to creditors, these drafts passing everywhere current as cash.

SPECIAL INSTRUCTIONS FOR JOURNALIZING DRAFTS.

DRAWER'S ENTRIES.

¹⁸² When he draws a draft and remits it to the Payee, to apply on account, he makes	Payee, Dr.	To Drawee,
¹⁸³ When he draws a draft and disposes of it, less discount, receiving cash for proceeds.	Cash, Discount.	To Drawee,

DRAWEE'S ENTRIES.

¹⁸⁴ When he accepts a draft drawn on him on account.	Drawer,	To Bills Payable,
¹⁸⁵ When he pays a sight draft drawn on him in cash.	Drawer,	To Cash,
¹⁸⁶ When he prepays a time draft, in cash, less discount, instead of accepting it.	Drawer,	To Discount, " Cash,
¹⁸⁷ When he pays his acceptance at maturity, in cash.	Bills Payable,	To Cash,

PAYEE'S ENTRIES.

¹⁸⁸ When he receives a time draft from Drawer, to apply on account, and has had it accepted.	Bills Receivable,	To Drawer,
¹⁸⁹ When the Drawee prepays the draft in cash, less discount, instead of accepting it.	Cash, Discount,	To Drawer,
¹⁹⁰ When he buys the draft of the Drawer, instead of receiving it on account, the Drawer allowing him the discount.	Bills Receivable,	To Cash, " Discount,

GENERAL RULE FOR JOURNALIZING DRAFTS WHEN DRAWN ON ACCOUNT.

¹⁹¹ Debit the person who draws the draft on you. ¹⁹² Credit the person on whom you draw a draft.

NOTE.—The following examples and explanations are given to illustrate the application of the principles embodied in the foregoing special and general rules regarding drafts, and to assist you in the work of journalizing the transactions in which drafts are involved in the following sets.

EXAMPLES ILLUSTRATING JOURNAL ENTRIES OF ALL PARTIES TO DRAFTS, UNDER DIFFERENT CONDITIONS.

EXAMPLE No. 34.

(For form of accepted draft, see page 41.)
Accepted, payable at Merchants' Bank.
FROST & SELDEN.

\$500.00.	DETROIT, MICH., Apr. 1, 188—.
Thirty days after date, for value received, pay to Smith & Ogden, or order, Five Hundred Dollars, and charge the same to my account.	
To FROST & SELDEN, Philadelphia, Pa.	R. H. DINGMAN.
Due May 4, 188—.	

Dingman's entry, if he sends above draft to Smith & Ogden to apply on account.	Smith & Ogden, To Frost & Selden,	500	500
Frost & Selden's entry when they accept the draft.	R. H. Dingman, To Bills Pay.,	500	500
Smith & Ogden's entry at time of receiving the draft from Dingman on account.	Bills Rec'v, To R. H. Dingman,	500	500

EXAMPLE No. 35.

\$200.00.

RICHMOND, VA., Apr. 6, 188-.

At sight, pay to the order of E. T. Crouch, Two Hundred Dollars, for value received, and charge same to the account of

GOSS & FARNSWORTH.

To EATON, CLARK & Co.,
New York.

Goss & Farnsworth's entry at time of drawing the draft and remitting it to Crouch, on account.	E. T. Crouch, To Eaton, Clark & Co.	200 00	200 00
E. T. Crouch's entry at time of receiving draft of Goss & Farnsworth, on account.	Cash, To Goss & Farnsworth,	200 00	200 00
Eaton, Clark & Co.'s entry at time of paying the draft, in cash.	Goss & Farnsworth, To Cash,	200 00	200 00

EXAMPLE No. 36.

\$600.00.

BURLINGTON, IOWA, Apr. 10, 188-.

At ninety days' sight, pay to the order of A. M. Gordon, Six Hundred Dollars, value received, and charge to account of

BIGELOW & CO.

To HATCH, MILLS & PARDEE,
Chicago, Ill.

Bigelow & Co.'s entry at time of drawing the draft and sending it to A. M. Gordon, on account.	A. M. Gordon, To Hatch, Mills & Pardee,	600 00	600 00
A. M. Gordon's entry if, when he presents the draft, Hatch, Mills & Pardee prepay it in cash, less discount 93 days, instead of accepting it.	Cash, Discount, To Bigelow & Co.,	590 83 9 17	600 00
Hatch, Mills & Pardee's entry at time of prepaying the draft as above stated.	Bigelow & Co., To Cash, " Discount,	600 00	590 83 9 17

EXAMPLE No. 37.

DAY BOOK RECORD.

JOURNAL ENTRY FOR SAME.

	ITEMS.	TOTAL.		DR.	CR.
Accepted J. T. Brown's draft on us, at 10 days' sight, favor of D. Woods, to apply on account,		400	J. T. Brown, To Bills Payable,	400	400

We owe Brown the above amount. He therefore has the right to order us to pay it, either to himself or to another. In accepting the draft—that is, in agreeing to its conditions in writing—we issue our written promise to pay, and must therefore credit Bills Payable. We debit Brown because we get out of his debt by agreeing in writing to pay this amount to another party.

EXAMPLE No. 38.

DAY BOOK RECORD.

JOURNAL ENTRY FOR SAME.

Drew a draft at 60 days after date, on Marsh Bro's, Kansas City, and discounted it at City Bank,					Discount,	1 04		
Discount for 63 days,	1 04				Cash,	98 96		
Rec'd cash for proceeds,	98 96			100	To Marsh Bro's,		100	

Marsh Bro's owe us the above amount, due in 60 days. Having immediate use for the money, we draw a draft upon them and get it discounted at City Bank. By paying the above draft, Marsh Bro's will get out of our debt. We therefore give them credit, Cash and Discount being debited. Should Marsh Bro's fail to honor the draft, however, we should be obliged to refund the money to the bank, in which case Marsh Bro's would be debited back, thus placing their account as it was before the draft was drawn.

EXAMPLE No. 39.

DAY BOOK RECORD.

JOURNAL ENTRY FOR SAME.

Prepaid our acceptance in favor of Wm. Heath.					Bills Payable,	250		
Discount off, 40 days,	1 64			250	To Discount,		1 64	
Paid balance in cash,	248 36				" Cash,		248 36	

At the time of accepting the above draft, we issued our written promise to pay, and therefore Bills Payable must have been credited. We now debit Bills Payable, because our written promise to pay has been redeemed.

EXAMPLE No. 40.

DAY BOOK RECORD.

JOURNAL ENTRY FOR SAME.

Paid Geo. D. Baker's draft on us, at 60 days' sight, less discount.					Geo. D. Baker,	300		
Face of draft,				300	To Discount,		3 11	
Discount off, 63 days,	3 11				" City Bank,		296 89	
Paid balance by check on City Bank,	296 89							

We pay the above draft drawn upon us by Baker when it is presented, instead of accepting it, and therefore credit Discount and City Bank instead of crediting Bills Payable, as in Example No. 37 above.

EXAMPLE No. 41.

DAY BOOK RECORD.

JOURNAL ENTRY FOR SAME.

Had C. T. Meldrum's acceptance discounted at City Bank,					City Bank,	173 62		
Discount off, 48 days,	1 38			175	Discount,	1 38		
Proceeds placed to our credit,	173 62				To Bills Receivable,		175	

When the above draft was received by us and accepted by Meldrum, we must have debited Bills Receivable, because the written promise to pay of another person had come into our possession. We therefore credit Bills Receivable now, because such written promise to pay is disposed of.

NOTE.—After you have carefully read the foregoing rules and explanations, you may proceed with the month of April. You are to admit Mr. D. W. Leonard as an equal partner in the business, he to invest an amount of cash equal to your present worth, as shown by your Balance Sheet of March 31st.

In a business conducted by a partnership, an account is usually opened in the Ledger with each partner, in which he is credited with his share of the investment and also his share of the gains, or is debited with his share of the losses.

A "Stock" account is sometimes opened in a partnership business, instead of an account with each partner, which is credited with the combined investment of the partners, and at stated periods is credited with the entire net gain of the business, or debited with the net loss. In such case a "Stock Ledger" is kept by the partners, upon which each has an account showing his interest in the business.

In the month of April the first plan will be adopted.

April 1, 1855

D. W. Leonard has this day been admitted as an equal partner, the firm name to be Student & Leonard.

Student's investment shown by March Balance Sheet

D. W. Leonard invests cash equal to Student's present worth

Bt of David Bailey New York on acct
40 bbls. Sugar 10000 lbs 11 1/2 ¢

²
Received of Ford & Co their note at 25 days on account

³
Sold F. W. Warren, Avon, N.Y.
10 bbls. Sugar 2500 lbs 13 ¢

Received in payment cash 50
His note at 15 days, with interest 200
Balance on account

³
Deposited cash in College Bank

⁴
Gave Elias Johnson & Co. our note at 20 days, with interest, to apply on account.

⁵
Paid W. W. Stevens cash on acct.

NOTE.—The resources and liabilities, constituting your investment, are shown in the balances below the rulings in your Ledger, hence no entry of them is required in your Journal.

- Had Ford & Co.'s note of 2d inst. discounted at College Bank. Face of note, 100; discount, 25 days, 41c.; proceeds credited to our account, 99.59. (See Note No. 1, below.)
- 6.
- Sold Moore & Collins, Buffalo, 50 bbls. Flour, @ 8.25. Rec'd in payment, their note at 30 days for 150.00; balance on $\frac{1}{2}\%$.
- 7.
- Accepted David Bailey's draft on us, at 10 days' sight, favor E. R. Andrews, payable at College Bank, to apply on $\frac{1}{2}\%$, 500.00.
- 8.
- Drew a draft at 30 days from date, on Ford & Co., Baltimore, and had it discounted at College Bank. Face of draft, 100.00; discount, 33 days, 54c.; rec'd cash, 99.46.
- "
- Accepted W. A. Bancroft's (Boston) draft on us, favor of himself, at 3 days' sight, to balance $\frac{1}{2}\%$, 38.00.
- 9.
- Bo't of W. A. Bancroft, Boston, 20 chests Y. H. Tea, 1200 lbs., @ 65c. Gave him in payment, check on College Bank, 500.00. Balance on $\frac{1}{2}\%$.
- 10.
- Paid Wells, Johnson & Co.'s sight draft on us, favor A. S. Briggs, by check on College Bank, 100.00.
- "
- Deposited cash in College Bank, 1500.00.
- 11.
- Accepted H. W. Stevens' (Detroit) draft on us, at 30 days from Apr. 8th, favor Howe & Orton, for 200.00.
- 12.
- Sold Clark, Sons & Bradley, New York, on $\frac{1}{2}\%$, 10 chests Y. H. Tea, 600 lbs., @ 75c.; 5 mats Java Coffee, 400 lbs., @ 32c.
- 13.
- Prepaid note given Wells, J. & Co., Mar. 6. Face of note, 300.00; discount off to maturity, 25 days, 1.23. Paid balance by check on College Bank.
- 14.
- Drew a draft on Clark, Sons & Bradley, New York, at sight, and remitted it to David Bailey, on $\frac{1}{2}\%$, 300.00.
- "
- Paid our acceptance of 8th inst., favor of Bancroft, due to-day, in cash, 38.00. (See Note No. 2, below.)
- 15.
- Rec'd cash of Sickles, Stover & Jackson, on $\frac{1}{2}\%$, 50.00.
- 16.
- Rec'd from Moore & Collins, Buffalo, to apply on $\frac{1}{2}\%$, their draft at 3 days' sight, on L. M. Horton, which Horton accepted, 200.00.
- 17.
- Rec'd cash of Moore & Collins for their note of Mar. 25th, due to-day, 130.30.

NOTE NO. 1.—In case you are in doubt as to the proper arrangement of a transaction in your Day Book, consult a similar transaction, which may be found on page 13, 14, 15, 22, 23, 24, 25 or 45. Leaving the proceeds to our credit in the Bank is equivalent to making a deposit.

NOTE NO. 2.—Bills Payable is Dr. because our *written promise* is here redeemed. Student must distinguish between the expressions "Paid our acceptance," and "Paid draft on us." Remember that a draft drawn on us is not a Bills Payable until we have accepted it.

	18.
Ex. 39, p. 44.	Prepaid our acceptance of 11th inst., favor Howe & Orton. Face of acceptance, 200.00; discount to maturity, 23 days. Paid balance in cash. (See Note No. 1, below.)
	19.
	Sold R. H. Barnard, City, on $\frac{a}{c}$, 50 bbls. Salt, @ 2.55.
	20.
187, p. 42. 111, p. 27.	Our acceptance of 7th inst., favor Andrews, due to-day, at College Bank, has been charged by the Bank to our $\frac{a}{c}$. (See Note No. 2 below.)
	21.
39, pa. 6. 60, pa. 7. 76, pa. 7.	F. W. Warren paid his note of 3d inst., and interest, due to-day, in cash. Face of note, 200.00; interest to date, 18 days.
	"
182, p. 41. 75, pa. 7.	Drew a draft at 60 days from date, on Sickles, Stover & Jackson, Detroit, and remitted it to H. W. Stevens, on $\frac{a}{c}$, less discount. Face of draft, 100.00; discount off, 63 days. Charged the balance to his $\frac{a}{c}$.
	22.
39, pa. 6. 60, pa. 7.	Rec'd cash of L. M. Horton, for his acceptance of 16th inst., due to-day.
	"
	Paid Rent of Store in cash, 25.00.
	23.
	Rec'd of R. H. Barnard, his note at 20 days, with interest, to apply on $\frac{a}{c}$, 50.00.
	24.
	Student drew cash from the business for his private use, 50.00.
	25.
	Drew a draft on F. W. Warren, Avon, at 30 days' sight, favor of ourselves, to balance $\frac{a}{c}$, and sent draft to him to be accepted and returned. Amount of draft, 75.00. (This is simply a memorandum; no journal entry is required until draft is returned.)
	26.
47, pa. 6. 68, pa. 7. 24, pa. 6.	Bo't of Beekman & Ordway, Phil'a, 20 hhds. N. O. Molasses, 1260 gals., @ 50c. Accepted their draft on us, favor themselves, at 60 days' sight, 315.00. Balance on $\frac{a}{c}$.
	"
	Deposited cash in College Bank, 1000.00.
	27.
59, pa. 7. 24, pa. 6.	F. W. Warren returned draft accepted. Acceptance dated Apr. 26. (See Apr. 25, above.)
	"
	Paid our note of 4th inst., favor Wells, Johnson & Co., and interest, due to-day, by check on College Bank. Face of note, 400.00; interest to date, 23 days.
	28.
	Paid W. A. Baucroft, on $\frac{a}{c}$, by check on College Bank, 175.00.
	29.
	Paid Bookkeeper's Salary in cash, 75.00.
	30.
	A fire in our store last night damaged our entire stock of Tea. No insurance. Sold the entire lot to-day at auction for cash; 1200 lbs., @ 25c.
	"
39, pa. 6. 75, pa. 7. 60, pa. 7.	Discounted F. W. Warren's acceptance, received 27th inst., at College Bank. Face of acceptance, 75.00; discount off, 29 days. Rec'd cash for the proceeds.

NOTE No. 1.—Compute Interest and Discount at 6 per cent., on a basis of 365 days for a year.

NOTE No. 2.—Since in the acceptance of this draft we made it payable at College Bank, the bank charges it to our account the same as a check.

INVENTORIES, APRIL 30, 188—.

NOTE.—Copy the Inventory in your Day Book in the form shown on page 31.

MDSE.	{ 50 bbls. Flour, @ 7.00; 30 bbls. Sugar, 7500 lbs., @ 11½c.; 400 lbs. J. Coffee, @ 28c.; 1260 gals. Molasses, @ 50c.	} =Total, 1526 38
EXPENSE.	{ Office Safe, valued 10 ¢ below cost. 250.00—25.00=225.00. " Books, " 20 ¢ " " 50.00—10.00= 40.00.	} =Total, 265 00

NOTE.—After copying the Day Book, and before proceeding to journalize, draw up, on cap paper, all of the drafts referred to in the transactions for the month, and present to the teacher for approval. See forms of drafts on pages 41, 42 and 43. Next journalize and post. If an account gets crowded for space, transfer it to a new page. See instructions (154, page 36) for transferring an account. Open Leonard's account in the middle of page 1 in your Ledger. Give personal accounts hereafter one-fourth of a page space; others one-half of a page, until otherwise instructed.

On May 1st Alex. Mitchell is to be admitted as a partner; you may therefore make out Balance Sheet similar to that for March. In the form of Balance Sheet given below, only a few of the amounts are extended, the student being required to complete the extensions, foot the columns and prove his results, as indicated in the Summary below. (Refer to "Guide for making Balance Sheet for March," on page 32, and also to "Trial Balance and Balance Sheet for March," on page 34.) Remember that you are to foot the accounts in your Ledger in pencil, and carry the footings to the first two columns of your Balance Sheet, and foot those columns, to ascertain whether your Ledger is in balance, before you proceed to extend the Resources, Liabilities, Losses and Gains to the other columns. Should the first two columns not foot equally—in other words, should your trial balance not prove—see note No. 2, page 26.

BALANCE SHEET, APRIL 30, 188—.

L. F.		DR. FOOTING.		CR. FOOTING.		RESOURCES.		LIABILITIES.		LOSSES.		GAINS.	
1	Student,	50		5170	34								
1	D. W. Leonard,			5170	34								
4	Mdse.	3943		1743									
5	H. W. Stevens,	398	96	435				36	04				
	Expense,	400											
	Jas. T. Hoag,												
	Moore & Collins,												
	Wells, J. & Co.												
	Bills Payable,												
	Bills Receivable,	905	30	705	30	200							
	David Bailey,												
	W. A. Bancroft,												
	Interest,	1	51		59						92		
	Discount,												
	Sickles, S. & J.												
	Clark, Sons & B.												
	College Bank,												
	Cash,												
	R. H. Barnard,												
	Beekman & O.												

SUMMARY.

Total Losses,	-	-	-	-	409	90	Student's Net Credit,	-	-	5120	34		
" Gains,	-	-	-	-			" ½ Net Loss,	-	-	204	95		
Net Loss,	-	-	-	-	409	90	" Present Worth,	-	-			4915	39
							D. W. Leonard's Net Credit,			5170	34		
							" ½ Net Loss,			204	95		
Total Resources,	-	-	-	-	11333	07	" Present Worth,					4965	39
" Liabilities,	-	-	-	-	1452	29							
Present Worth of Firm,	-				9880	78	Present Worth of Firm,	-	-			9880	78

NOTE.—Only the accounts showing losses and gains and the partners' accounts are to be closed. See instructions on next page.

If the accounts in your Ledger are correct, the difference between the Dr. and Cr. footings of those accounts not extended in the above Balance Sheet will be as follows: Cash, 1129.51; Wells, J. & Co., 268.75; Bills Payable, 315; Moore & C., 62.50; Bailey, 412.50; Discount, 36c.; Bank, 1083.24; Bancroft, 105; Clark, S. & B., 470.19; Sickles, S. & J., 20; Barnard, 77.50; Beekman & O., 315; Hoag, 98.75.

CLOSE ONLY THE ACCOUNTS SHOWING LOSSES AND GAINS.

After completing your Balance Sheet for April, proceed to close in the Ledger those accounts only which exhibit losses and gains, together with the Loss and Gain and Partners' accounts, in accordance with the General Rules for Closing the Ledger, on pages 35 and 36. For assistance in closing Mdse., see 145, page 35; Expense, 145, page 35; Interest, 148, page 35; Discount, 148, page 35; Loss and Gain account (for partnership), 151, page 36; Student's and Leonard's accounts, 152, page 36.

NOTE.—The debit and credit sides of your Ledger remain equal after closing the above mentioned accounts, the same as though all the accounts had been closed, since the amount entered to close an account was immediately transferred, either to the opposite side of the account closed, or of some other account. The accounts which remain unclosed show *only* Resources and Liabilities, the difference between which is the Present Worth, as exhibited by the partners' accounts.

Before proceeding with May, present your books to the teacher for approval, and be prepared to answer the following

QUESTIONS FOR REVIEW.

Page 41.—¹⁶³ What is a Draft? ¹⁶⁴⁻¹⁶⁶ What are the parties to a draft called? ¹⁶⁷ How is the draft employed? ¹⁶⁹⁻¹⁷¹ State the three ways of drawing drafts in reference to time. ¹⁷⁴ What is meant by "Acceptance" when applied to drafts?

Page 42.—¹⁹¹⁻¹⁹² Give general rule for journalizing drafts when drawn on account.

MAY 1, 188—.

Alexander Mitchell has this day been admitted as a partner in the business of Student and Leonard. The name of the new firm is to be Student, Leonard & Co. The gains and losses are to be shared as follows: Student, $\frac{2}{3}$; Leonard, $\frac{2}{3}$; and Mitchell, $\frac{1}{3}$.

..

Alex. Mitchell invests cash, 1000, and the store now occupied by the firm, valued at 3000.

..

Sold Barton & Hathaway, Binghamton, 25 bbls. Flour, @ 8.40. Rec'd in payment, cash, 100.00. Balance on $\frac{1}{2}\%$.

2.

54, pa. 7.
40, pa. 6.

Took out Policies of Insurance of 2,000.00 on store, and 5,000.00 on contents, for one year, with A. S. Gatchell, agent. Paid premium on same in cash, 60.00.

..

47, pa. 6.
53, pa. 7.

Bo't of Crouse Bro's, Syracuse, 100 bbls. Salt, @ 2.15. Accepted their draft on us, at 15 days' sight, payable at College Bank, for same.

4.

Sold Gates & Sheldon, on their note at 20 days, with interest, 50 bbls. Salt, @ 2.60.

6.

Paid H. W. Stevens, cash to balance $\frac{1}{2}\%$. (See note below.)

7.

Bo't of Henry D. French, Buffalo, 25 bbls. Beef, @ 14.25; 30 bbls. Pork, @ 11.50. Gave him in payment, our note at 15 days, with interest, 345.00. Balance on $\frac{1}{2}\%$.

9.

Rec'd cash of Moore & C., for their note of April 6, due to-day. (See note below.)

10.

Paid W. A. Bancroft's sight draft on us, by check on College Bank, 50.00.

NOTE.—Student will find it necessary, hereafter, to consult his books, to ascertain amounts left blank in the record, such as balances due on personal accounts, which will be found in the Ledger if the work has all been posted; also particulars regarding notes, which will be found in the Day Book record at the time of giving or receiving them.

	12.	
110, p. 27. 112, p. 27.	Deposited in College Bank cash 100.00.	
	14.	
23, pa. 6. 54, pa. 7. 111, p. 27.	Bo't a draft on New York, 200.00, at $\frac{1}{4}$ % exchange. Paid for same by check on College Bank, 200.50. Remitted draft to Beekman & Ordway, on %.	
	16.	
	Rec'd cash of Sickles, Stover & Jackson, to balance % (see note bottom page 49).	
	"	
	Rec'd cash of R. H. Barnard, for his note of Apr. 23d, and interest, due to-day.	
	18.	
	Sold E. F. Sharpsteen, Elmira, 630 gals. N. O. Molasses, @ 60c.; 2500 lbs. Sugar, @ 13½c. Rec'd in payment, his note at 60 days, indorsed by B. W. Crossman, 378.00. Balance on % (See forms of Indorsement, page 159.)	
	20.	
	Our acceptance of 2d inst., favor Crouse Bro's, due to-day, has been charged to our % at College Bank.	
	"	
	Rec'd cash of Barton & Hathaway, to apply on %, 50.00.	
	21.	
67, pa. 7. 76, pa. 7. 111, p. 27.	Prepaid our acceptance of Apr. 26th, favor of Beekman & O., by check on College Bank. Face of acceptance, 315.00, discount to maturity, 38 days.	
	24.	
	Paid cash for permanent repairs on store, 100.00. (Debit Real Estate.)	
	25.	
	Paid our note of 7th inst., and interest on same, due to-day, in cash. Face of note, 345.00; interest to date, 18 days.	
	26.	
	Rec'd of Jas. T. Hoag, his check on Traders' Bank, to apply on %, 50.00.	
	"	
	D. W. Leonard drew from the business, for his private use, by check on College Bank, 100.00.	
	27.	
	Gates & Sheldon paid their note of 4th inst., and interest, due to-day, in cash.	
	28.	
	Sold Moore & Collins, on %, 10 bbls. Beef, @ 17.25; 10 bbls. Pork, @ 14.00.	
	29.	
	Paid Wells, J. & Co.'s draft on us, at 60 days' sight, 200.00, less discount, 63 days, by check on College Bank.	
	"	
	Sold Clark, Sons & Bradley, on %, 20 bbls. Sugar, 5000 lbs., @ 12½c.	
	30.	
	Bo't of David Bailey, 10 bbls. Sugar, 2500 lbs., @ 11½c. Paid him cash, 100.00; check on College Bank, 100.00. Balance on %.	
	31.	
	Paid Bookkeeper's Salary for month in cash, 75.00.	
	"	
	Deposited in College Bank, Hoag's check, rec'd 26th inst., 50.00; and cash, 1500.00.	

NOTE.—You may now journalize, post and take trial balance. Should your trial balance not prove, see note No. 2, page 26. In posting, when an account balances in your Ledger, rule it up at once. Before an account becomes too much crowded for space, rule it up and transfer to a new account, as instructed in 154-155, page 36. Foot the accounts in pencil, as instructed heretofore for taking trial balance. You need not make a Balance Sheet this month, nor close any of the accounts in the Ledger. The difference between the Dr. and Cr. sides of a few of the principal accounts are here given: Wells, J. & Co., 68 75; Bills Payable, balances; Discount, 4 04; College Bank, 7556.78; Cash, 313.13; Clark, Sons & B., 1113.94; Mdse, 1124.63; Expense, 400.50; Bills Receivable, 378.00; Interest, 34c. If your trial balance proves your Ledger to be in balance, and your accounts agree with the balances given above, you may proceed with June.

JUNE 1, 188—.

110, p. 27.
75, pa. 7.
60, pa. 7.

Discounted, at College Bank, Sharpsteen's note, rec'd May 18th. Discount off to maturity. Proceeds placed to our credit. (See Note No. 1, below.)

2.

Sold F. W. Warren, on $\frac{1}{2}\%$, 5 bbls. Sugar, 1250 lbs., @ $12\frac{3}{4}c$.

..

Paid Henry D. French's sight draft on us, by check on College Bank, 200.00.

3.

Rec'd cash of Clark, Sons & Bradley, on $\frac{1}{2}\%$, 400.00.

5.

Sold A. & D. Farwell, Canton, 10 bbls. Beef, @ 16.25; 10 bbls. Pork, @ 13.50; 10 hhd. N. O. Molasses, 630 gals., @ 60c. Rec'd in payment, their note at 10 days, with interest, 150.00. Balance on $\frac{1}{2}\%$.

6.

Accepted David Bailey's draft at 20 days, favor Marsh & Co., to balance $\frac{1}{2}\%$.

7.

Bo't of Beekman & Ordway, on $\frac{1}{2}\%$, 5 hhd. N. O. Molasses, 315 gals., @ 55c.

8.

Rec'd of R. H. Barnard, his check on First National Bank, to balance $\frac{1}{2}\%$.

9.

Rec'd of E. F. Sharpsteen, his note at 30 days, indorsed by B. W. Crossman, on $\frac{1}{2}\%$, 250.00.

12.

Bo't of Henry D. French, 25 bbls. Beef, @ 14.25. Accepted his draft on us at 10 days, for 175.00. Balance on $\frac{1}{2}\%$.

13.

Deposited in College Bank Barnard's check, rec'd 8th inst.

14.

Sold Sickles, S. & J., 25 bbls. Flour, @ 8.25; 1250 lbs. Sugar, @ $12\frac{1}{2}c$. Rec'd in payment, cash, 50.00; their note at 45 days, 75.00. Balance on $\frac{1}{2}\%$.

15.

Drew a draft on Barton & H., Binghamton, at 90 days, to balance their $\frac{1}{2}\%$. Had the draft discounted at College Bank, and rec'd credit for proceeds.

16.

Paid W. A. Baneroft, cash to balance $\frac{1}{2}\%$, 55.00.

NOTE No. 1.—From June 1, the day the above note is discounted, to July 20, its maturity, the time is 49 days, counting the actual number of days. The student will remember that if the time is in days, 365 days, or if the time is in months, 12 months for a year, are to be taken as a basis in computing interest and discount, unless otherwise specified.

When paper is drawn in months, the practice differs, somewhat, with places and individuals, as to the manner of finding time, and computing interest and discount. For the sake of uniformity and accuracy, the method explained below will be observed throughout this book. To illustrate: A note of \$500, dated May 17, at 4 months, is discounted June 23. The time between June 23, the day the note is discounted, and September 20, the maturity of the note, $\left\{ \begin{array}{l} 9 \text{ mo. } 20 \text{ da.} \\ 6 \text{ " } 23 \text{ " } \end{array} \right\}$ The discount for 2 months is 5.00 " 27 days " 2.22

2 mo. 27 days =

7.22

If the note to be discounted is an interest bearing note, first compute the interest upon the face of the note from the date it begins to draw interest to maturity; then add the interest to the face of the note, and compute discount upon the amount thus obtained, from the date of discounting the note to its maturity. The face, plus the interest, minus the discount, will be the proceeds of the note.

	17.	
59, pa. 7. 55, pa. 7. 23, pa. 6. 48, pa. 6.	Sold Jas. T. Hoag, 400 lbs. J. Coffee, @ 35c.; 25 bbls. Beef, @ 16.50. Rec'd in payment, a note made by Chas. H. Fisher, in Hoag's favor, dated Mar. 25th last, at 90 ds. with interest, 275.00. Accrued interest allowed him. Balance on %.	(See note No. 1, below.)
	18.	
	A. & D. Farwell paid their note of 5th inst., and interest, due to-day, in cash.	
	19.	
	Drew sight draft on F. W. Warren, Avon, and deposited in College Bank to our credit. Amount of draft, 50.00; Bank's charges for collection, 25c. Balance to our credit.	
	20.	
	Sold E. F. Sharpsteen, on %, 5 hhds. N. O. Molasses, 315 gals., @ 62½c.	
	21.	
	Student drew cash from the business, for his own use, 75.00.	
	22.	
23, pa. 6. 75, pa. 7. 60, pa. 7. 11, p. 27.	Paid Henry D. French, the note rec'd of Sickles, S. & J., 14th inst., 75.00. Discount to maturity allowed him. Gave him our check on College Bank, to balance his %.	
	23.	
	The draft drawn on Warren, 19th inst., was to-day returned protested for non-payment. Protest fees, 1.25. Gave the Bank a check to cover draft and fees, 51.25. (See Note No. 2, below.)	
	24.	
	Accepted Beekman & Ordway's draft on us, at 30 days' sight, favor of themselves, 150.00.	
	25.	
	Rec'd cash of E. F. Sharpsteen, on %, 131.25.	
	26.	
	Paid our acceptance of 12th inst., favor of French, by check on College Bank.	
	27.	
	Deposited in College Bank, cash, 500.00.	
	29.	
	Paid our acceptance of 6th inst., favor of Marsh & Co., by check on College Bank.	
	30.	
	Paid Bookkeeper's Salary in cash, 75.00.	

NOTE No. 1.—As this note has been drawing interest since March 25th, it is worth considerably more than its face at this time.

NOTE No. 2.—The fees, under some circumstances, might properly be charged to Warren's account; but in this case we charge them to Expense account.

INVENTORIES, JUNE 30, 188—.

MDSE.

50 bbls. Salt, @ 2.15; 5 bbls. Beef, @ 14.25; 10 bbls. Pork, @ 11.50. Total Mdse. Invt.,... 293 75

REAL ESTATE.

Store, owing to advance in Real Estate, estimated to be worth at present time..... 3500 00

EXPENSE.

Office Safe and Office Books, valued at.....	200 00
Insurance, 10 months unearned premium,.....	50 00
	<hr/> 250 00

Leonard and Mitchell propose to buy Student's interest in the business, and pay him cash, as his Present Worth shall show upon closing the Ledger, they assuming all the resources and liabilities of the old firm. Student agrees to the proposition, as he is desirous of engaging in the Produce and Commission business on July 1st.

You may therefore make out a Balance Sheet, showing the exact condition of the business, as heretofore instructed.

The difference between the Dr. and Cr. sides of a few of the principal accounts in your Ledger, independent of inventories, should be as follows: Bills Payable, 150.00; Discount, 41c.; Cash, 339.70; Mdse., 292.63; Expense, 477.00; Bills Receivable, 525.00; Interest, 3.82; College Bank, 7428.83.

If correct, the results exhibited by your Balance Sheet should be as follows:

SUMMARY.

Total Gains, - - - - -	986 38	Student's Net Credit, - -	4840 39	
" Losses, - - - - -	231 23	" $\frac{2}{3}$ Net Gain, - -	302 06	
Net Gain of Firm, - - - -	755 15	" Present Worth, * -		5142 45
Total Resources, - - - -	14817 93	D. W. Leonard's Net Credit,	4865 39	
" Liabilities, - - - - -	357 00	" $\frac{2}{3}$ Net Gain, -	302 06	
Present Worth of the Firm, -	14460 93	" Present Worth,		5167 45
		Alex. Mitchell's Net Credit,	4000 00	
		" $\frac{1}{3}$ Net Gain, -	151 03	
		" Present Worth, -		4151 03
		Present Worth of the Firm. -		14460 93

After completing Balance Sheet, balance and rule up all of the accounts in the Ledger. (See General Rules for Closing the Ledger, page 35; also see closed Ledger, on pages 38 and 39). After completing the work, present your books to the teacher for inspection; also prepare for examination upon all the work passed over, as outlined by the following:

QUESTIONS FOR REVIEW

Page 5.—¹ What is Book-keeping? ² The object of it? ³⁻⁴ How many methods, and what are they? ⁵ What are the principal books used? ⁶ Describe the Day Book. ⁷ When should the record be made in the Day Book? ⁸ Why? ⁹ Describe the Journal. ¹⁰ What is journalizing? ¹¹ What must be the condition of the debits and credits in every journal entry? ¹²⁻¹³ How may the Day Book and Journal be combined? ¹⁴⁻¹⁵ Describe the Ledger. ¹⁶ What is an account? ¹⁷⁻¹⁹ How many sides has an account, and what called? ²⁰ What is posting? ²² How many kinds of accounts in Double Entry?

Page 6.—²³⁻²⁸ Give the general rules for journalizing. ²⁹ Into what two general classes are the three kinds of accounts divided? ³⁰ When does an account exhibit a Loss? ³¹ When a Gain? ³² When a Resource? ³³ When a Liability? ³⁴ Upon which side is the excess when an account shows a Resource? ³⁴ When it shows a Loss? ³⁵ When it shows a Gain? ³⁵ When it shows a Liability? ³⁶⁻³⁷ Give the rule for journalizing the Proprietor's account. ³⁸ What title is sometimes used in place of the proprietor's name? ³⁹⁻⁴⁰ Give the rule for Cash. ⁴¹ What is included, usually, under this title? ⁴² When there is any difference in this account, which side will always be greater? ⁴³ Why? ⁴⁴⁻⁴⁵ What is the difference, and what does it show? ⁴⁷⁻⁴⁸ Give the rule for Mdse. ⁴⁹ What is usually included under this title? ⁵⁰ What exception to including all goods under the general heading Mdse.

Page 7.—⁵³ To what other accounts will the rule for Mdse. apply? ⁵⁴⁻⁵⁶ Give the rule for Expense. ⁵⁶ What is usually included under this title? ⁵⁷ What exceptions to including all such items under the general heading Expense? ⁵⁹⁻⁶⁰ Give the rule for Bills Receivable. ⁶¹ What is usually included under this title? ⁶² Which side of the account will always be greater, when there is any difference? ⁶³ Why? ⁶⁴⁻⁶⁵ What is the difference, and what does it show? ⁶⁶ When will the account balance? Why? ⁶⁷⁻⁶⁸ Give the rule for Bills Payable. ⁶⁹ What is included under this title? ⁷⁰ Which side of the account will always be greater, when there is any difference? ⁷¹ Why? ⁷²⁻⁷³ What is the difference, and what does it show? ⁷⁴ When will the account balance? Why? ⁷⁵⁻⁷⁶ Give the rule for Interest and Discount. ⁷⁷ What is Interest? ⁷⁸ What is Discount? ⁸⁰ To what other accounts will the rule for Interest and Discount apply?

Page 20.—⁸¹ What is a Trial Balance? ⁸²⁻⁸⁴ Why does the trial balance not prove the work absolutely correct? ⁸⁷⁻⁸⁸ Explain footing the accounts for taking a trial balance. ⁹² When may an account be omitted from the trial balance?

Page 21.—⁹⁵ What is the character of the error, generally, when it is an even \$1, \$10, \$100, \$1000, etc.? ⁹⁶⁻⁹⁷ How could an error be made in transferring from the Ledger to the trial balance? ⁹⁸ If an amount has been omitted in posting, what effect will it have upon the trial balance? ¹⁰⁰ What if posted to the wrong side of the Ledger? ¹⁰² How may the error have been caused, if it is divisible by 9? ¹⁰³⁻¹⁰⁷ Explain the steps to be taken in reviewing the work, when this course is found necessary in order to detect the error. ¹⁰⁸⁻¹⁰⁹ In examining the posting, why is it necessary to place a check mark in the Ledger?

Page 27.—¹¹⁰⁻¹¹¹ Give the rule for journalizing Bank account. ¹¹² How should the checks of other persons in your hands be treated?

Page 31.—¹¹³ What does an Inventory generally represent? ¹¹⁴ What may it represent? ¹¹⁵ What will an inventory show in each case? ¹¹⁶ How is an inventory usually taken? ¹¹⁷ What price is generally placed upon the goods? ¹¹⁸ In what other way may an inventory be found?

Page 32.—¹¹⁹ For what purpose is a Balance Sheet made? ¹²⁰ Describe the balance sheet. ¹²¹ Into which column is the difference between the Dr. and Cr. footings of Cash extended? Why? ¹²² Why is the Mdse. inventory entered in the Resource column? ¹²³⁻¹²⁴ Explain both methods of finding the gain on Mdse. account, when there is an inventory. ¹²⁵ When the Cr. side of a person's account is larger than the Dr., to which column is the difference extended? Why? ¹²⁶ When the Dr. footing is the larger?

Page 33.—¹²⁸ How is the actual loss on Expense account ascertained, when there is valuable property on hand, which was originally debited to the Expense account? ¹²⁹ What does the difference in the Bills Payable account show? Why? ¹³⁰ In the Bills Receivable account? Why? ¹³¹ If the Cr. side of Interest or Discount is larger than the Dr., why is the difference a gain? ¹³² If the Dr. side is larger, why is the difference a loss? ¹³³ What does the difference in Real Estate account show? Why? ¹³⁴ In Bank account? Why?

Page 34.—What is the difference between the total gains and total losses called? (Summary; see also 135, page 33.) Give the two ways of finding the Present Worth of the proprietor. (Summary; see also 136, page 33.) When the liabilities exceed the resources, what is the difference called? (See 137, page 33.)

Page 35.—¹³⁹⁻¹⁴⁰ How often, usually, and for what purpose, are the accounts showing losses and gains closed in the Ledger? ¹⁴¹ When and for what purpose are *all* of the accounts in the Ledger closed? ¹⁴³ What new account is to be opened? ¹⁴⁴ In what order are the accounts to be closed? ¹⁴⁵ Explain closing accounts having resource inventories. ¹⁴⁶ Having liability inventories. ¹⁴⁷ Accounts showing gains, having no inventories. ¹⁴⁸ Accounts showing losses, having no inventories. ¹⁴⁹ Accounts showing resources. ¹⁵⁰ Accounts showing liabilities.

Page 36.—¹⁵¹ How is the Loss and Gain account to be closed? How in case of a partnership? ¹⁵² How is the Proprietor's account to be closed? ¹⁵³ In ruling, what kind of ink is to be used? ¹⁵⁴⁻¹⁵⁵ When the space assigned to an account has been filled, how is the account transferred? ¹⁵⁶ What do red ink entries in the Ledger indicate?

Page 37.—¹⁵⁷⁻¹⁵⁸ After the Ledger has been closed, what is shown by the balances that have been carried down below the rulings of the various accounts?

Page 40.—¹⁵⁹⁻¹⁶⁰ In closing the accounts, why has the equality of the Ledger not been disturbed? ¹⁶¹⁻¹⁶² How do you prove the closed Ledger to be in balance?

Page 41.—¹⁶³ What is a Draft? ¹⁶⁴⁻¹⁶⁶ What are the parties called? ¹⁶⁷ What is the advantage of the draft? ¹⁶⁸⁻¹⁷¹ How drawn with reference to time? ¹⁷² For what are Sight Drafts presented to the Drawee? ¹⁷³ Time Drafts? ¹⁷⁴⁻¹⁷⁵ What is meant by Acceptance, and how made? ¹⁷⁶ When is it not necessary to date the acceptance? ¹⁷⁷ When does the Drawee become legally responsible to the Payee? ¹⁷⁸⁻¹⁷⁹ How may a draft be drawn so that one of the parties shall sustain a double relation to it? ¹⁸⁰⁻¹⁸¹ Explain the use of Bank Drafts? ¹⁸² Give Drawer's entry when he draws a draft and remits it to Payee on account. ¹⁸³ When he disposes of it for cash, less discount.

Page 42.—¹⁸⁴ Give Drawee's entry when he accepts a draft drawn on him. ¹⁸⁵ When he pays sight draft on him in cash. ¹⁸⁶ When he prepays draft, less discount, instead of accepting it. ¹⁸⁷ When he pays his acceptance at maturity. ¹⁸⁸ Give Payee's entry when he receives time draft from Drawer on account. ¹⁸⁹ When Drawee prepays draft, less discount, instead of accepting it. ¹⁹⁰ When he buys draft for cash, less discount. ¹⁹¹⁻¹⁹² Give general rule for journalizing drafts when drawn on account.

NOTE.—Before proceeding with the month of July, study carefully the following explanations and examples.

SHIPMENTS.

Dr.	Cr.
¹⁹³ Shipment is debited at the time the property is shipped, for its estimated value (usually its cost), and for all expenses.	¹⁹⁴ Shipment is credited at the time of receiving an account sales, for the net proceeds.

¹⁹⁵ When property is shipped to be sold on commission, the person who ships it opens an account upon his books with "Shipment," to represent the property which has passed from his *possession*, but not from his *ownership*. ¹⁹⁶ To distinguish different shipments, the name of the place or party is generally used with the number of the shipment, thus: "Shipment to Detroit, No. 1," "Shipment to Brown & Co., Baltimore, No. 3," etc. ¹⁹⁷ The person who ships the property is called the "Consignor." ¹⁹⁸ After the property has been disposed of, a statement showing the sales and all the charges is rendered to the Consignor. Such a statement is called an "Account Sales." ¹⁹⁹ The difference between the sales and all the charges is called the "Net Proceeds." ²⁰⁰ After the Shipment has been credited with the net proceeds, it will show either a gain or a loss. ²⁰¹ If a statement of the business were to be made before receiving an account sales, the value of the shipment would be treated as a resource inventory.

CONSIGNMENTS.

Dr.	Cr.
²⁰² Consignment is debited for all charges paid when the property is received, and also for all subsequent charges, and for the net proceeds at the time of rendering the account sales.	²⁰³ Consignment is credited for all sales of property belonging to it.

²⁰⁴ When property is received to be sold on commission, the party receiving it opens an account upon his books with "Consignment," to represent the property which has come into his *possession*, but not his *ownership*. ²⁰⁵ To distinguish different consignments, the name of the Consignor is generally used and the number of the consignment, thus: "J. D. Winslow's Consignment No. 2," etc. ²⁰⁶ The party who receives the property is called the "Consignee." ²⁰⁷ After the closing entry has been made, debiting the consignment for the final charges and net proceeds, the consignment will balance. ²⁰⁸ If a statement of the business were to be made before closing the consignment, and the charges upon it to the time of the statement exceeded the sales, the difference would be a resource. ²⁰⁹ If the sales exceeded the charges, the difference would be a liability.

EXAMPLE No. 42.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
ITEMS.		TOTAL.		DR.		CR.	
Shipped Wood & Martin, Palmyra, to be sold on our account and risk, 2000 bu. R. Wheat, @ 1.25.	2500			Ship't to W. & M., Palmyra, No. 1,	2506 25		
Paid insurance in cash,	6 25	2506 25		To Mdse. Cash,		2500	6 25

Shipment is debited for the value of the property and also for the expense of insuring same. (See 193, page 55.)

EXAMPLE No. 43.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Rec'd an account sales of the shipment made Wood & Martin, Our net proceeds remitted in cash,	2850			Cash,	2850		
				To Ship't to W. & M., Palmyra, No. 1,		2850	

Shipment is credited for the net proceeds (see 194, page 55). In this case Shipment shows a gain, the net proceeds being greater than the cost (see 200, page 55).

EXAMPLE No. 44

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
		ITEMS.	TOTAL			DR	CR.
Shipped J. D. Welch, New Vernon, to be sold on our account and risk, 500 bbls. Apples, @ 2.50,		1250		Shipt to J. D. W., New Vernon, No. 1,		1300	
Paid freight in cash,		50	1300	To Mdse. Cash,			1250
							50

EXAMPLE No. 45.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Rec'd an account sales of the shipment made J. D. Welch.				J. D. Welch,		1225	
Our net proceeds credited,			1225	To Ship't to J. D. W., New Vernon, No. 1,			1225

In this case the Shipment shows a loss, the net proceeds being less than the cost. (See 200, page 55.)

EXAMPLE No. 46.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Rec'd from Church & Co., Toledo, to be sold on their account and risk, 5000 bu. W. Oats.				Church & Co.'s Consignment No. 1,		200	
Paid freight in cash.			200	To Cash,			200

Consignment is debited for the charges paid on the property at the time it is received. (See 202, page 55.)

EXAMPLE No. 47.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Sold E. B. Frye, for cash, from Church & Co.'s Consignment No. 1,				Cash,		2100	
5000 bu. Oats, @ 42c.,		2100		To Church & Co.'s Con. No. 1,			2100

Consignment is credited for all sales made from it. (See 203, page 55.)

EXAMPLE No. 48.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.			
Closed Church & Co.'s Con. No. 1, and rendered an account sales.				Church & Co.'s Consignment No. 1,		1900	
Storage, at $\frac{1}{2}$ c. per bu.,		25		To Storage,			25
Commission, 2% on sales,		42		Commission,			42
Church & Co.'s net proceeds remitted in cash,		1833	1900	Cash,			1833

Consignment is debited at the time of rendering the account sales, for the charges and the net proceeds (see 202, page 55). The net proceeds of the above consignment are found by deducting all charges from the sales, as follows: (Ex. No. 46) Freight, 200; (Ex. No. 48) Storage, 25; Commission, 42, Total charges, 267. Total sales (Ex. No. 47), 2100; leaves the Net Proceeds, 1833 (see 199, page 55). The above consignment will balance, because in Ex. No. 46 it is debited 200, in Ex. No. 48 1900, and in Ex. No. 47 it is credited 2100 (see 207, page 55).

EXAMPLE No. 49.

DAY BOOK RECORD.

ITEMS.	TOTAL.
Rec'd from H. G. Lyman, Ovid, to be sold on his account and risk, 1000 bu. S. Wheat, Paid freight in cash.	50

JOURNAL ENTRY FOR SAME.

DR.	CR.
H. G. Lyman's Consign- ment No. 1,	50
To Cash,	50

EXAMPLE No. 50

DAY BOOK RECORD.

Sold Boyd & Son, on <i>acc.</i> , at 30 days, from Lyman's Consignment No. 1, 500 bu. S. Wheat, @ 1.40,	700
--	-----

JOURNAL ENTRY FOR SAME.

Boyd & Son,	700
To Lyman's Consignment No. 1,	700

EXAMPLE No. 51.

DAY BOOK RECORD.

Paid cartage, in cash, on 500 bu. Wheat, sold Boyd & Son, from Lyman's Con. No. 1,	10
---	----

JOURNAL ENTRY FOR SAME.

Lyman's Consignment No. 1,	10
To Cash,	10

EXAMPLE No. 52.

DAY BOOK RECORD.

Sold G. E. Seney, on his note at 30 days, from Lyman's Con. No. 1, 300 bu. S. Wheat, @ 1.45,	435
---	-----

JOURNAL ENTRY FOR SAME.

Bills Rec'v,	435
To Lyman's Consignment No. 1,	435

EXAMPLE No. 53.

DAY BOOK RECORD.

Re-shipped the 200 bu. Wheat unsold of Ly- man's Con. No. 1, per his instructions, to E. B. Phelps, Fairport. Paid cartage on same in cash,	3 50
---	------

JOURNAL ENTRY FOR SAME.

Lyman's Consignment No. 1,	3 50
To Cash,	3 50

EXAMPLE No. 54.

DAY BOOK RECORD.

Closed Lyman's Consign- ment No. 1, and ren- dered an account sales. Storage, at 1c. per bu., Commission, 2 % on sales, H. G. Lyman's net pro- ceeds placed to his credit,	10 22 70 1038 80
---	------------------------

JOURNAL ENTRY FOR SAME.

Lyman's Consignment No. 1,	1071 50
To Storage,	10
Commission,	22 70
H. G. Lyman,	1038 80

The net proceeds of the above consignment are found by deducting all of the charges from the sales, as follows: (Ex. No. 49) Freight, 50; (Ex. No. 51) Cartage, 10; (Ex. No. 53) Cartage, 3.50; (Ex. No. 54) Storage, 10; Commission, 22.70; total charges, 96.20. Sales, (Ex. No. 50) 700; (Ex. No. 52) 435; total sales, 1135. Leaves the Net Proceeds, 1038.80.

NOTE.—In the Commission business, a book called the Sales book is usually kept, in which all entries relating to Consignments are made and posted directly to the Ledger. The Sales Book is not to be used in the business of the two following months, but will be explained and illustrated hereafter.

July 1, 188-

Commenced the Grain and Commission business investing cash

6000

²
Bought of D. Woods for cash
2000 bu White Oats 45¢

900

³
Shipped G. H. Wheeler, Bristol,
to be sold on my acct. and risk.
1000 bu W. Oats invoiced 45¢

450

Paid cartage in cash

5

455

⁵
Received of J. B. Clark, Clyde,
to be sold on his acct. and risk
500 bu Red Wheat
Paid freight in cash

30

⁷
Received from G. H. Wheeler, an
Acct Sales of shipment of 3rd inst
My net proceeds remitted in cash

450

⁸
Sold for cash from Clark's Con
No. 1, 500 bu R. Wheat 1.50

750

⁹
Closed Clark's Con No. 1 and
rendered an Account Sales
My charge for storage 1¢ per bu
" commission 2% on sales
J. B. Clark's net proceeds remit-
ted to him in cash

5

15

700

720

¹⁰
Bought of J. C. Kingon account
1000 bu Barley 40¢

400

Ex. No. 42,
page 55.

Ex. No. 46,
page 56.

Ex. No. 43,
page 55.

Ex. No. 47,
page 56.

Ex. No. 48,
page 56.

JULY 10, 188—.

Paid Dodge & Hardy's Bill for Office Books and Stationery in cash, 31.25.

11.

Ex. 44, p. 56. Shipped Dow & Todd, Lodi, to be sold on my account and risk, 250 bu. W. Oats, @ 45c. Paid cartage in cash, 2.00.

12.

Bo't of Wm. B. Hoyt, on my note at 10 days, with interest, 3500 bu. Barley, @ 90c.

13.

Ex. 49, p. 57. Rec'd from W. J. Corning, Waterloo, to be sold on his account and risk, 1000 bu. White Wheat. Paid freight in cash, 65.00.

15.

Ex. 52, p. 57. Sold N. C. Hubbard, on his note at 5 days, from Corning's Con. No. 1, 400 bu. W. Wheat, @ 1.40.

16.

Paid J. C. King cash on *acc*, 300.00.

..

Ex. 45, p. 56. Rec'd from Dow & Todd, Lodi, an Account Sales of the shipment made them 11th inst. Net proceeds to my credit, 102.75.

17.

Sold Jno. D. Mason, Richfield, on *acc*, 250 bu. W. Oats, @ 50c.; 1500 bu. Barley, @ 1.00.

18.

202, p. 55. Rec'd from J. B. Clark, Clyde (2d consignment), to be sold on his account and risk, 300 bu. Red Wheat. Paid Freight in cash, 18.00.

19.

203, p. 55. Sold Rob't G. Laidlaw, on *acc*, at 10 days, from Corning's Con. No. 1, 600 bu. W. Wheat, @ 1.42.

..

Ex. 54, p. 57. Closed Corning's Con. No. 1, and rendered an Account Sales. Storage, at 1c. per bu., 10.00. Commission, 2 % on sales, 28.24. W. J. Corning's net proceeds placed to his credit, 1308.76.

21.

193, p. 55. Shipped G. H. Wheeler, Bristol (2d shipment), to be sold on my account and risk, 500 bu. W. Oats, @ 45c.; 500 bu. Barley, @ 90c.

22.

203, p. 55. Sold for cash, from Clark's Con. No. 2, 100 bu. R. Wheat, @ 1.35.

23.

23, pa. 6. N. C. Hubbard paid his note of 15th inst. in cash. Remitted the cash to W. J. Corning on *acc*.

24.

Bo't of C. D. Mathews, on my note at 25 days, with interest, 3000 bu. Mixed Oats, @ 40c.

..

202, p. 55. Rec'd from Morey & Co., Richmond, to be sold on their account and risk, 800 bu. Corn. Paid Freight in cash, 60.00.

25.

Paid my note of 12th inst. in cash.

..

193, p. 55. Shipped M. & D. Fisher, Easton, to be sold on my account and risk, 2000 bu. Mixed Oats, @ 40c.; 1500 bu. Barley, @ 90c. Paid Insurance in cash, 10.75.

26.

Rec'd from G. H. Wheeler, Bristol, an Account Sales of the shipment made him 21st inst. My net proceeds remitted in cash, 798.99.

..

Rec'd cash of Dow & Todd, in full of *acc*.

	27.
184, p. 42.	Accepted W. J. Corning's draft on me at 15 days' sight, to apply on <i>a/c</i> , 500.00.
	29.
	Sold for cash, from Clark's Con. No. 2, 100 bu. R. Wheat, @ 1.37.
	30.
59, pa. 7. 24, pa. 6.	Rec'd of R. G. Laidlaw, his note at 20 days, with interest, to balance <i>a/c</i> .
	31.
	Paid Rent of Warehouse for the month, 50.00, and Laborer's services in full, 25.00, in cash.

INVENTORIES, JULY 31, 188—.

MDSE.—1000 bu. Barley, @ 90c.; 1000 bu. M. Oats, @ 40c. Total,-----	1300 00
SHIPMENT to M. & D. Fisher, Easton, No. 1,-----	2160 75

NOTE.—Journalize and post. Open a *separate* account for *each* Shipment and for *each* Consignment. Give Cash account one page space; Mdse. one-half of a page; Bills Payable, Bills Receivable, Storage and Commission, one-third of a page each; all others one-fourth of a page each. After posting the month, make a Balance Sheet, and close *only* the accounts in the Ledger showing losses and gains.

In the Balance Sheet given below only a few of the extensions are made, the student being required to complete the extensions and prove his results. They should agree with the Summary given below. After you have performed this work, continue the same business through the month of August.

TRIAL BALANCE AND BALANCE SHEET, JULY 31, 188—.

L. F	DR. FOOTING.		CR. FOOTING.		RESOURCES.	LIABILITIES.	LOSSES.	GAINS.
Student,			6000					
Cash,	8408	74	5353	73				
Mdsc.								
Ship't to G. H. W., Bristol,								
No. 1,	455		485					30
Storage,			15					15
Commission,			43	24				43 24
J. C. King,								
Expense,	106	25						
Ship't to D. & T., Lodi, No. 1.	114	50	102	75			11 75	
Bills Payable,								
Bills Receivable,								
J. D. Mason,								
Clark's Con. No. 2,	18		272			254		
W. J. Corning,								
Ship't to G. H. W., Bristol,								
No. 2,	675		798	99				
Morey & Co.'s Con. No. 1.	60				60			
Interest,	6	73						
Ship't to M. & D. F., Easton,					Inv.			
No. 1,	2160	75			2160 75			

SUMMARY.

Total Gains, - - - - -	374 73	Student's Credit, - - - - -	6000 00
" Losses, - - - - -	124 73	" Net Gain, - - - - -	250 00
Net Gain, - - - - -	250 00	" Present Worth, - - - - -	6250 00
Total Resources, - - - - -	9052 76		
" Liabilities, - - - - -	2802 76		
Present Worth, - - - - -	6250 00		

AUGUST 1, 188—.

193, p. 55.
196, p. 55.

Shipped Dow & Todd, Lodi (2d shipment), to be sold on my account and risk, 1000 bu. Barley, @ 90c. Paid cartage and insurance in cash, 25.00.

3.

Bo't for cash, 3000 bu. White Oats, @ 52c.

4.

Rec'd from J. B. Clark, Clyde (3d consignment), to be sold on his account and risk, 400 bu. Beans. Paid freight in cash, 20.00,

5.

Sold Niles & Kinnie, 800 bu. Corn (Morey & Co.'s Con. No. 1), @ 65c. Rec'd cash, 120.00. Balance on $\frac{1}{2}\%$.

"

Closed Morey & Co.'s Con. No. 1, and rendered an Account Sales. Storage, 8.00; Commission, 2 % on sales, 10.40. Morey & Co.'s net proceeds placed to their credit. (See note below.)

6.

Bo't of O. B. Delano, on my note at 60 days, 2500 bu. Barley, @ 90c.

"

Rec'd from M. & D. Fisher, Easton, an Account Sales of shipment made them July 25th. Net proceeds remitted in cash, 2258.25.

8.

✓ Drew a sight draft on J. D. Mason, Richfield, 600.00, and paid it to J. C. King, in full of $\frac{1}{2}\%$.

"

202, p. 55.

Rec'd from Benj. Beebe, Northport, to be sold on his account and risk, 1000 bu. Corn. (Memorandum only.)

9.

Sold R. G. Laidlaw, on $\frac{1}{2}\%$, at 15 days, from Clark's Con. No. 3, 100 bu. Beans, @ 3.25.

12.

Shipped to E. B. Worden, New London, to be sold on my account and risk, 1000 bu. Mixed Oats, @ 40c. Paid cartage and insurance in cash, 17.50.

13.

Ex. 53, p. 57.

Re-shipped, as per instructions received from J. B. Clark, to be sold on his account and risk, the 100 bu. R. Wheat belonging to Clark's Con. No. 2, to R. D. White, Smithport. Paid Cartage in cash, 2.00.

14.

Ex. 48, p. 56.

Closed J. B. Clark's Con. No. 2, and rendered an Account Sales. Storage, 6.00; Commission, 2 % on sales. Clark's net proceeds remitted to him in cash. (See also explanation under Ex. 54.)

"

Paid my acceptance of July 27th in cash.

16.

Bo't of D. Woods, 2000 bu. Mixed Oats, @ 48c. Paid him cash, 460.00, and gave him my note at 10 days, with interest, for balance.

17.

Sold for cash, from Beebe's Con. No. 1, 300 bu. Corn, @ 68c.

"

23, pa. 6.
24, pa. 6.
40, pa. 6.Rec'd of Niles & Kinnie, their note at 20 days, with interest, to balance $\frac{1}{2}\%$, 400.00. Remitted the note to Morey & Co., together with cash to balance their $\frac{1}{2}\%$.

18.

Sold Milton Forbes, on his note at 30 days, 500 bu. Mixed Oats, @ 53c.; 1000 bu. White Oats, @ 56c.

"

Rec'd from W. J. Corning, Waterloo (2d consignment), to be sold on his account and risk, 3500 bu. White Wheat. Paid Freight in cash, 280.00.

NOTE.—In finding the Net Proceeds, you must remember to deduct from the sales the freight, or any other charges previously paid on the consignment, as well as the charges given above. For illustration, see Example 54, on page 57, together with the explanation given below it.

19.

203, p. 55 Sold Jno. D. Mason, on $\frac{1}{4}\%$, from Clark's Con. No. 3, 300 bu. Beans, @ 3.25.

"

202, p. 55. Closed Clark's Con. No. 3, and rendered an Account Sales. Storage, 8.00; Commission, 2 % on sales. J. B. Clark's net proceeds placed to his credit.

21.

Paid my note of July 24, and interest, due to-day, in cash.

"

Dow & Todd, Lodi, per my instructions, have re-shipped to Wells Bro's, Carlisle, to be sold on my account and risk, 1000 bu. Barley, shipped them 1st inst.

22.

203, p. 55. Sold for cash, from Corning's Con. No. 2, 150 bu. White Wheat, @ 1.45.

"

Rec'd cash of R. G. Laidlaw, for his note of July 30th and interest,

23.

Sold for cash, from Beebe's Con. No. 1, 700 bu. Corn, @ 68c.

"

Closed Beebe's Con. No. 1, and rendered an Account Sales. Storage, at 1c. per bu.; Commission, at 2 % on sales. Benj. Beebe's net proceeds remitted in cash.

24.

Rec'd cash of R. G. Laidlaw, in full of $\frac{1}{4}\%$, 325.00, and remitted same to J. B. Clark, on $\frac{1}{4}\%$.

"

194 p. 55. Rec'd from E. B. Worden, New London, an Account Sales of shipment made him 12th inst. My net proceeds remitted in cash, 485.80.

25.

Shipped to Frank Odell, Lisbon, to be sold on my account and risk, 1500 bu. Barley, @ 90c.
Paid cartage and insurance in cash, 18.38.

"

Rec'd cash of Jno. D. Mason, on $\frac{1}{4}\%$, 1025.00.

26.

Rec'd from Morey & Co., Richmond (2d consignment), to be sold on their account and risk, 1000 bu. Corn. Paid Freight in cash, 75.00.

27.

Paid W. J. Corning, cash to balance $\frac{1}{4}\%$.

"

193, p. 55.
196, p. 55. Shipped to M. & D. Fisher, Easton (2d shipment), to be sold on my account and risk, 1000 bu. M. Oats, @ 48c. Paid cartage in cash, 5.00.

"

Sold J. D. Mason, 1000 bu. White Oats, @ 55c.; 500 bu. Barley, @ 1.00. Rec'd cash, 250.00, and his note at 20 days for balance.

28.

Milton Forbes prepaid his note of 18th inst. Face of note, 825.00; discount to maturity.
Rec'd cash for the proceeds.

29.

Paid my note of 16th inst. and interest, due to-day, in cash.

29

194, p. 55.
202, p. 55.

Rec'd advice from M. & D. Fisher, Easton, that the 1000 bu. M. Oats shipped them 27th inst. were destroyed by fire while in transit. No insurance.

"

Sold R. G. Laidlaw, on $\frac{1}{2}\%$, from Morey & Co.'s Con. No. 2, 600 bu. Corn, @ 70c.

30.

23, pa. 6.
40, pa. 6.
194, p. 55.

Rec'd from Wells Bro's, Carlisle, an Account Sales of the shipment made them on our account by Dow & Todd. Our net proceeds, 894.25, remitted by their sight draft on J. B. Clark, which we have paid to Clark, together with cash to balance his $\frac{1}{2}\%$.

"

Rec'd from Grant & Son, Salem, to be sold on their account and risk, 500 bu. R. Wheat. Paid Freight in cash, 30.00.

31.

Rec'd cash of Jno. D. Mason, in full of $\frac{1}{2}\%$.

"

Sold for cash, from Grant & Son's Con. No. 1, 200 bu. R. Wheat, @ 1.35.

"

Paid Rent of Warehouse for month in cash, 50.00.

INVENTORIES, AUGUST 31, 188—.

MDSE.—500 bu. Mixed Oats, @ 48c.; 1000 bu. White Oats, @ 52c.; 500 bu. Barley, @ 90c. Total,	1210 00
SHIPMENT to Lisbon No. 1, at cost,	1368 38

NOTE.—Journalize and post. Give new accounts one-fourth of a page space. After posting the month of August, make out a Balance Sheet and close the Ledger. Bring down the Resources and Liabilities, and prove your work. If correct, it will agree with the following:

TRIAL BALANCE OF LEDGER BALANCES, AUGUST 31, 188—.

RESOURCES		LIABILITIES.	
Cash,	5050 12	Bills Payable,	2250 00
Mdse. Inv.	1210 00	Morey & Co.'s Con. No. 2,	345 00
Bills Receivable,	800 00	Grant & Son's Con. No. 1,	240 00
Personal Accounts,	420 00	Student's Investment,	6250 00
Corning's Con. No. 2,	62 50	" Net Loss,	174 00
Ship't to Lisbon No. 1, Inv.	1368 38	" Present Worth,	6076 00
	<u>8911 00</u>		<u>8911 00</u>

QUESTIONS FOR REVIEW.

Page 55.—¹⁹³⁻¹⁹⁴ Give the rule for journalizing Shipments. ¹⁹⁵ Explain the meaning of shipment. ¹⁹⁶ How are the the different shipments distinguished? ¹⁹⁷ What is the party called who ships the property? ¹⁹⁸ What is meant by Account Sales? ¹⁹⁹ By Net Proceeds? ²⁰⁰ What will the Shipment account show after it has been credited with the net proceeds? ²⁰¹ What before? ²⁰²⁻²⁰³ Give the rule for journalizing Consignments? ²⁰⁴ Explain the meaning of Consignment. ²⁰⁵ How are the different consignments distinguished? ²⁰⁶ What is the party called who receives the property? ²⁰⁷ When should a Consignment balance? ²⁰⁸⁻²⁰⁹ What would a Consignment show if it were unclosed at the time of making a Balance Sheet?

September 1, 188-

Student and Wm. B. Henderson have this day formed a co-partnership under the firm name of Student & Co., for the purpose of conducting a General Hardware Business; the partners to invest equal amounts and to share equally in gains and losses.

In consideration of extra services, Student is to be paid by the firm, a salary of One Hundred Dollars per month

— Student's Investment —

Cash	Currency paid in	1500	
Flower City Bank	Amount on deposit	1163 73	
Geo. W. Banning	Owed on account	850	
To Bills Payable	Note favor Jones per B.B.		500
Interest	Accrued to date on above note		13 73
<u>Student</u>	His net investment		3000

— Henderson's Investment —

Bills Recv.	Spelman's note per B.B.	800	
Interest	Accrued to date on above note	6 84	
Cash	Currency paid in	2193 16	
To W. B. Henderson	His net investment		3000

Expense	Paid Cash for set of Office Books	25	
To Cash			25

Mdsey	Bot of C. C. & Co., on account	680	
To E. Corning & Co.	50 kegs C. Nails 5000 lbs @ 3¢ 150		680
	20 Blacksmiths Drills . 6 ⁰⁰ 120		
	20 doz C. S. Augers . 5 ⁵⁰ 110		
	15 . P. S. Coal Hods 12 ⁰⁰ 180		
	2 Universal C. Augers 60 ⁰⁰ 120		
		680	

SEPTEMBER 1, 188-. (See Notes 1 and 2 below.)

Student and Wm. B. Henderson form a co-partnership this day, under the firm name of Student & Co., for the purpose of conducting the Hardware Business. The partners are to invest equal amounts, and share equally in gains and losses.

In consideration of extra services, Student is to be paid by the firm a salary of one hundred dollars per month.

STUDENT'S INVESTMENT.

Resources: Currency paid in, 1500; on deposit in Flower City Bank, 1163.73; Geo. W. Banning, Brockport, owes on account, 850.

Liabilities: Student's note in favor of R. D. Jones, dated March 16th last, at 6 months, payable at Flower City Bank, with interest, 500 (enter this note in Bill Book also; see page 71). Interest accrued to date, 5 mo. 15 days (see Note No. 3, below).

WM. B. HENDERSON'S INVESTMENT.

Resources: A note made by M. R. Spellman, dated July 11th last, at 60 days, payable at First National Bank, with interest, 800 (enter also in Bill Book; see page 71). Interest accrued to date, 52 days (see Note No. 3, below). Currency paid in, 2193.16.

2.

Pay cash for Office Books, 25.00.

"

Buy of E. Corning & Co., Albany, on $\frac{1}{4}\%$, 50 kegs Cut Nails, 5000 lbs., @ 3c. lb.; 20 Blacksmith's Drills, @ 6.00 ea.; 20 doz. Cast Steel Augers, @ 5.50 doz.; 15 doz. Plain Galvanized Coal Hods, @ 12.00 doz.; 2 doz. Universal Clothes Wringers, @ 60.00 doz.

3.

Sell Barber & Swift, Georgetown, 3 doz. C. S. Augers, @ 8.00 doz.; 5 doz. P. G. Coal Hods, @ 15.00 doz.; 10 kegs Cut Nails, 1000 lbs., @ $4\frac{1}{2}$ c. Receive in payment, their note at 10 days, with interest, payable at Farmers' Bank, 100.00 (enter also in Bill Book). Balance on $\frac{1}{4}\%$.

"

Cash sales of Mdse. for the day, as per Cash Drawer, 30.50. (See Note No. 4, below.)

4.

Sell L. B. Mason, Batavia, 4 U. C. Wringers, @ 7.00 ea.; 5 Blacksmith's Drills, @ 8.00 ea.; 20 kegs Cut Nails, 2000 lbs, @ $4\frac{3}{4}$ c. lb. Receive in payment, cash, 50.00. Balance on $\frac{1}{4}\%$.

NOTE No. 1.—The Day Book, as a separate book, will hereafter be dispensed with, and the history of the transactions written in the Journal, or other book of original entry (12, page 5). In the form shown on page 64, both debits and credits are entered at the left side of the page, the right side being reserved for the explanations. The debits are to be entered first. The credits may be distinguished by having the sign "To" placed before them. The explanations are to be written about one-third smaller than the journal entries.

NOTE No. 2.—An auxiliary book, called the Bill Book, is to be kept, to show the particulars regarding the Bills Payable and Bills Receivable which you issue and receive. The form shown on page 71 is arranged for both notes and drafts. The Drawer of a draft and the Endorser of a note sustain substantially the same relation to the paper; both are therefore entered in one column. The same is true also of the Drawee of a draft and the Maker of a note. Three days of grace are always to be added in giving the maturity of paper. As soon as you have made an entry in the Journal for a Bills Payable issued or Bills Receivable received, turn at once to the Bill Book and enter it there also. When a Bill has been paid, or disposed of in any manner, state the fact in the proper column in the Bill Book.

NOTE No. 3.—In cases of this kind the interest accrued does not represent a gain, but a liability. It may be credited to Interest account, however, since by debiting the whole amount of interest to Interest account when the note is disposed of, the temporary fictitious gain is adjusted, the difference showing the actual loss for the time such note was in the business. In case a statement of the business should be desired before the note is disposed of, the interest accrued to the time of such statement would be debited to the Interest account as a liability inventory. If the note were a Bills Receivable instead of a Bills Payable, the above conditions would be reversed.

NOTE No. 4.—Whenever a cash sale is made during the day, the amount is entered upon a slip of paper. At the close of the day's business these slips are added together, and the amount should agree with the cash in the drawer. An entry is then made upon the books for the whole amount, debiting Cash and crediting Mdse.

6.

Buy of Hamilton & Mathews, City, 45 doz. Brass-rod Curry Combs, @ 1.75 doz.; 5 doz. 50-lb. Steelyards, @ 8.25 doz.; 6 doz. 10-inch Trowels, @ 8.50 doz.; 40 Grindstones, @ 1.50 ea.; 12 doz. No. 2 Japanned Boot Jacks, @ 3.25 doz.; 15 doz. Carpet Stretchers, @ 2.25 doz. Give them in payment, your note at 15 days, payable at F. C. Bank, with interest, 100.00 (enter also in Bill Book); your check on F. C. Bank, 50.00. Balance on $\%$.

”

Cash sales, as per Cash Drawer, 41.25.

8.

Sell Louis Ernst, City, on his note at 30 days, payable at Commercial Bank, 2 doz. Steelyards, @ 10.00 doz.; 6 doz. Boot Jacks, No. 2, @ 5.00 doz.; 15 doz. B. R. Curry Combs, @ 2.25 doz.

”

Deposit cash in Flower City Bank, 500.00.

9.

Pay freight on goods from Albany in cash, 19.75. (Debit Mdse.)

10.

Accept E. Corning & Co.'s draft on you, at 5 days' sight, favor themselves, payable at F. C. Bank, on $\%$, 300.00. (191, page 42, and 68, page 7.)

12.

Receive cash of M. R. Spellman, for his note and interest, due to-day. (Mark this note in Bill Book as paid; see page 71.)

13.

Sell C. B. Shafer, Gasport, 20 kegs Cut Nails, 2000 lbs., @ 4 $\frac{1}{2}$ c. lb.; 6 U. C. Wringers, @ 6.50 ea.; 6 Grindstones, @ 2.75 ea.; 2 doz. Carpet Stretchers, @ 4.20 doz. Receive in payment, his check on Flower City Bank, 50.00. Balance on $\%$.

”

Sales for cash, as per Cash Drawer, 85.80.

”

Deposit in F. C. Bank, Shafer's check rec'd 13th inst. Also deposit currency, 100.00.

15

Draw a draft, at 10 days from date, on Barber & Swift, Georgetown, to balance $\%$, 44.00. Have the draft discounted at F. C. Bank, and proceeds placed to your credit. (110, page 27; 75, page 7; 192, page 42.)

”

Receive cash of Geo. W. Banning, on $\%$, 400.00.

16.

Barber & Swift pay their note of 3d inst., due to-day, as follows: Give a new note, at 30 days, payable at Farmers' Bank, 50.00; and their check on Farmers' Bank to cover balance of old note and interest, and also interest on the new note to maturity, paid in advance. (59, page 7; 39, page 6; 60, page 7; 76, page 7.)

17.

Receive cash of L. B. Mason, to apply on $\%$, 50.00.

18.

Sell E. N. Hoaxter, Lyons, on his acceptance at 30 days from date, payable at Exchange Bank, 5 Blacksmith's drills, @ 8.00 ea.; 8 doz. 1-inch Augers, @ 7.25 doz.; 5 doz. P. G. Coal Hods, @ 15.25 doz.; 20 doz. B. R. Curry Combs, @ 2.50 doz.; 3 doz. J. Boot Jacks, @ 5.00 doz.

”

Your acceptance, due to-day at F. C. Bank, has been charged to your $\%$. (See Note No. 2, page 47.)

19.

Your note due to-day, with interest, has been paid and charged to your account at F. C. Bank. (See Bill Book; also 67, page 7; 75, page 7; 111, page 27.)

21.

Buy of Hart, Bliven & Mead, New York, 50 doz. Round Handle Bread Knives, @ 1.00 doz.; 12 Copying Presses, with wheel, @ 5.00 ea.; 50 pairs Barn Door Hangers, extra heavy, @ 2.25 pr.; 10 doz. Cow Bells, No. 2, @ 8.25 doz.; 6 Ice Cream Freezers, 10 qt., @ 8.00 ea.; 1500 lbs. Babbitt Metal, @ 12½c. lb.; 12 doz. Lemon Squeezers, wood, @ 1.50 doz. Give them in payment, your note at 30 days, 100.00; your note at 60 days, 200.00; both notes payable at F. C. Bank. Balance on %.

22.

Receive of C. B. Shafer, Gasport, his note at 45 days, with interest, indorsed by W. G. Sterritt, payable at Flower City Bank, to balance his %, 106.40.

23.

Sell E. D. Graves, Penn Yan, 20 doz. R. H. Bread Knives, @ 1.50 doz.; 25 prs. extra heavy B. D. Hangers, @ 2.75 pr.; 2 I. C. Freezers, 10-qt., @ 10.00 ea.; 100 lbs. B. Metal, @ 15c. lb.; 1½ doz. Lemon Squeezers, @ 3.00 doz. Receive in payment, his check on First National Bank of Penn Yan.

24.

Deposit in F. C. Bank, Graves' check rec'd yesterday; also deposit currency, 2000.00.

..

Your note due to-day, with interest, has been charged to your % at F. C. Bank. (See Bill Book.)

26.

Sell Ezra Langworthy, Marcellus, for cash, 25 doz. R. H. Bread Knives, @ 2.10 doz.; 1 Copying Press, 8.00; 2 doz. No. 2 C. Bells, @ 9.75 doz.; 300 lbs. B. Metal, @ 17½c. lb.

27.

E. N. Hoaxter prepays his acceptance of 18th inst., less discount to maturity, in cash.

29.

Prepay, by check on F. C. Bank, Hart, Bliven & Mead's draft on you, at 45 days' sight, 258.50, less discount. (191, page 42; 76, page 7; 111, page 27.)

..

Receive cash of L. B. Mason, to balance his %, 63.00.

30.

Pay Clerks' Salaries in full to date, in cash, 75.00.

..

Give Student credit for Salary, as provided in partnership agreement Sept. 1.

INVENTORIES, SEPTEMBER 30, 188-.

RESOURCE.

MDSE.—Goods in stock, as per Inventory Book, 712 79

LIABILITY.

EXPENSE.—Rent unpaid for month of September, 100 00

INSTRUCTIONS FOR POSTING SEPTEMBER.

First open an account for Student, and another for Henderson, giving each one-half of a page space. Give Cash, Mdse. and Bank, one page each; Bills Payable, Bills Receivable, Expense, and Interest and Discount, one-half page each. (Interest and Discount may be posted as one account: write the heading in the Ledger "Interest & Discount.") Give all other accounts one-third of a page each. In opening personal accounts, enter the residence in the Ledger after the name, but written in a smaller hand.

In posting, hereafter, the explanations are to be entered in the Ledger as explained and illustrated on next page.

SEPTEMBER 1.

In posting the item of 1500 to the Dr. side of Cash account, say, in the explanation column, "Sundries." (When the opposite side of the journal entry consists of more than one item, the word "Sundries" is used in the Ledger instead of entering the items. See Ledger accounts below.) Enter the same explanation in posting to Dr. side of F. C. Bank and Banning's accounts. In posting the item of 500 to Cr. side of Bills Payable account, say, in the explanation column, "Sundries." Enter the same explanation in posting to Interest and Student's accounts.

SEPTEMBER 1, Second Entry.

On Dr. side of Bills Receivable say, in the explanation column, "Wm. B. Henderson." Enter same explanation in posting to Interest and Cash accounts. On Cr. side of Henderson's account say, in explanation column, "Sundries."

SEPTEMBER 2

On Dr. side of Expense account say, "Cash," and on Cr. side of Cash account say, "Expense."

SEPTEMBER 2, Second Entry.

On Dr. side of Mdse. account say, "E. Corning & Co." On Cr. side of E. Corning & Co.'s account say, "Mdse."

SEPTEMBER 3.

On Dr. side of Bills Receivable account say, "Mdse." On Dr. side of Barber & Swift's account say, "Mdse."; and on Cr. side of Mdse. account say, "Sundries."

STUDENT.

						188 Sept.	1	Sundries,		1	3000
WM. B. HENDERSON.											
						188 Sept.	1	Sundries,		1	3000
CASH.											
188 Sept.	1	Sundries,	1	1500		188 Sept.	2	Expense,		1	25
"	1	Henderson,	1	2193	16						
GEO. W. BANNING, BROCKPORT.											
188 Sept.	1	Sundries,	1	850							
E. CORNING & CO., ALBANY.											
						188 Sept.	2	Mdse.		1	680

Mr. Henderson is to sell his interest in the business to Student, and retire from the firm October 1st. After you have completed the posting, therefore, you may make Balance Sheet and close *only* those accounts showing gains and losses and the partner's accounts. The work is to be performed substantially in accordance with the instructions for April, on page 48. In closing the Expense account, see 146, page 35.

A few of the results shown by your Balance Sheet are appended: Cash on hand, 2923.53; Balance in bank, 2713.88; Difference in Interest and Discount account, 1.11; Mdse. bought, 1562.00; Mdse. sold, 1214.70; Net Gain for the month, 66.60; Present Worth of the firm, 6166.60.

OCTOBER 1, 188—.

Purchase of Wm. B. Henderson, this day, his interest in the business, and pay him as follows: Cash, 2000.00, and check on Flower City Bank for balance of his present worth.

”

Deposit cash in Flower City Bank, 500.00.

2.

Sell L. B. Mason, 500 lbs. B. Metal, @ $16\frac{3}{4}$ c. lb.; 5 doz. No. 2 Cow Bells, @ 9.75 doz.; 25 pairs B. D. Hangers, @ 2.75 pr.; 9 doz. C. S. Augers, @ 7.00 doz.; 6 U. C. Wringers, @ 7.50 ea. Receive in payment, cash, 75.00. Balance on *q/c*.

4.

Draw a sight draft on Geo. W. Banning, Brockport, for 250.00, and deposit same in F. C. Bank to your credit, less $\frac{1}{4}$ % for collection.

6.

Sales for cash, as per Cash Drawer, 80.50.

”

Accept Corning & Co.'s draft, at 5 days' sight, favor S. B. Roby & Co., payable at F. C. Bank, 200.00.

7.

Loan J. D. Smith cash, to be returned on the 9th inst., 50.00. (23-40, page 6.)

8.

Give Hamilton & Mathews check on F. C. Bank, to apply on *q/c*, 30.00.

9.

J. D. Smith returns the cash loan of 7th inst., 50.00.

10.

Buy of Hart, Bliven & Mead, New York, on *q/c*, 20 doz. Cast Steel Axes, @ 12.00 doz.; 15 doz. 10-inch Wrought Wrenches, @ 12.00 doz.; 30 doz. Shovels, steel edge, @ 14.00 doz.

”

Draft drawn on Geo. W. Banning, 4th inst., has been returned protested for non-payment. Give check on F. C. Bank to take up the draft and pay protest fees on same, 1.75. (See instructions under Ex. 38, page 44; also Note No. 2, page 52.)

11.

Receive cash for a note due to-day.

”

Student draws 100.00 from the business, for private use, by check on F. C. Bank.

12.

Deposit cash in F. C. Bank, 500.00.

”

Sell Barber & Swift, on *q/c*, 10 doz. C. S. Axes, @ 15.25 doz.; 5 doz. P. G. Coal Hods, @ 13.00 doz.; 3 Ice Cream Freezers, @ 10.00 ea.; 5 doz. W. Wrenches, @ 14.75 doz.

14.

C. B. Shafer prepays his note of September 22d in cash.

”

Pay Clerk's Salary in full to date, in cash, 35.00.

”

Your acceptance due at F. C. Bank to day has been paid and charged to your *q/c*.

15.

Receive from L. B. Mason, to apply on *q/c*, his draft at sight on Hamilton & Mathews, for 50.00, which you pass over to them to apply on your *q/c*. (23-24, page 6.)

17

Pay Rent of Store for September and October, by check on F. C. Bank, 200.00.

19.

Receive cash for note due to-day.

”

Deposit Cash in Flower City Bank, 200.00.

20.

Sell Barber & Swift, 10 doz. W. Wrenches, @ 14.75 doz.; 5 doz. C. S. Axes, @ 15.25 doz.; 6 doz. L. Squeezers, @ 3.25 doz.; 5 doz. R. H. Bread Knives, @ 2.10 doz.; 2 Ice Cream Freezers, @ 10.00 ea. Receive in payment, a note dated October 14 last, at 90 days, with interest, made by Ira T. Bush, favor B. & S., and endorsed by them to you, 200.00. Interest accrued to this date allowed them (see Note No. 3, page 65). Balance on $\frac{1}{2}\%$.

21.

Receive cash of G. W. Banning to apply on $\frac{1}{2}\%$, 250.00, also for protest fees on draft returned 10th inst., 1.75.

”

Receive cash of Barber & Swift, on $\frac{1}{2}\%$, 300.00.

22.

Deposit cash in F. C. Bank, 500.00.

”

Frank N. Harper, whose note Student endorsed last October for 4000.00, has failed, and compromised with his creditors @ 40c. on a dollar. Give check on F. C. Bank, 2400.00, for deficiency to pay up note. (See note below.)

23.

Give Hart, B. & M., check on F. C. Bank, on $\frac{1}{2}\%$, 100.00.

24.

A note due to-day, at F. C. Bank, has been paid and charged to your $\frac{1}{2}\%$.

”

Draw a draft on L. B. Mason, Batavia, at 60 days from date, for 184.25. Have the draft discounted at F. C. Bank, and the proceeds credited.

25.

Pay Hart, B. & M., to apply on $\frac{1}{2}\%$, Ira T. Bush's note, received of Barber & Swift 20th inst. Interest accrued to date allowed us.

26.

Deposit in F. C. Bank cash 136.31.

27.

Memorandum.—The Store and contents were last night destroyed by fire. Nothing was saved except the books and papers. No insurance.

Student has decided to accept a proposition made to him by Geo. D. Whitney, to form a co-partnership and continue the Hardware Business.

Make a Balance Sheet, and close the Ledger for October. The following are a few of the results which should be shown by your Balance Sheet: Balance in Bank, 626.85; Bills Payable outstanding, 200.00; Bills Receivable, account balances; Difference in Interest and Discount account, 1.37; Mdse. sales for October, 984.75; Net Loss, 705.04; Proprietor's Insolvency, 71.74.

In closing the accounts which show gains and losses, you may transfer the differences *directly* to the Proprietor's account, instead of carrying them through the Loss and Gain account. Close and bring down the balances of the accounts showing resources and liabilities. Take a Trial Balance of these balances before proceeding with November. (See 161-162, page 40.)

NOTE.—The endorsement of this note being a transaction of Student not connected with the business, the loss is to be debited to his account instead of to Loss and Gain account.

BIB

PAYABLE.

[illegible]

BILLS

RECEIVABLE.

[illegible]

NOVEMBER 1, 188—. (See Notes 1 and 2 below.)

Student and Geo. D. Whitney have this day formed a co-partnership, under the firm name of Student & Co., and have leased of H. N. Smith the store No. 1466 Main Street, at 1200 per year, for the purpose of continuing the Hardware business established by Student & Henderson.

The co-partnership articles provide that Geo. D. Whitney shall not be required to give any of his time to the business, but shall, instead, furnish a cash capital of \$5000. Student is to devote his entire time and energies to conducting the business. The liabilities shown by Student's Ledger, October 31, are to be assumed by the firm, and the resources are to become firm property. The gains and losses are to be shared equally.

1.

Geo. D. Whitney pays in cash, 5000.00, the amount of his investment as per co-partnership agreement. (After entering this in the Journal, make entry also in the Cash Book; see page 78.)

”

Deposit in Flower City Bank, cash, 4000.00. (Enter also in Cash Book; see page 79.)

2.

Buy of Hemingway & Selden, City, 75 kegs Cut Nails, 7500 lbs., @ 3½c. per lb.; 50 Grindstones, @ 1.60 each; 10 doz. C. S. Augers, @ 5.50 doz.; 4 doz. U. C. Wringers, @ 60.00 doz.; 5 doz. Steel-yards, @ 8.00 doz.; 25 doz. Carpet Stretchers, @ 2.40 doz. Give them in payment, your note at 10 days, payable at F. C. Bank, 500.00. Balance on %.

3.

Sell E. Langworthy, Marcellus, 2 doz. Carpet Stretchers, @ 3.00 doz.; 10 Grindstones, @ 2.50 each; 2 doz. C. S. Augers, @ 7.25 doz.; 25 kegs Cut Nails, 2500 lbs., @ 4c. lb. Receive in payment, cash, 50.00. Balance on %.

”

Pay Corning & Co. cash, to balance %.

5.

Draw a draft, at twenty days from date, on Barber & Swift, Georgetown, as per their instructions, to balance %.

”

Sell C. B. Shafer, 10 kegs Cut Nails, 1000 lbs., @ 4c. lb.; 2 Clothes Wringers, @ 6.25 each; 3 doz. C. S. Augers, @ 7.25 doz. Receive in payment, his note at 45 days, payable at F. C. Bank.

6.

Pay cash for 2 tons of Coal for office, 10.80. (Enter also in Cash Book; see page 79.)

”

Cash sales, as per Cash Drawer, 48.75. (Enter also in Cash Book; see page 78.)

8.

Buy of E. Corning & Co., Albany, 25 Blacksmith's Drills, @ 6.00 each; 25 doz. P. G. Coal Hods, @ 12.25 doz. Accept their draft at 10 days' sight, favor of themselves, for the amount of the invoice.

”

Receive cash of G. W. Banning, to apply on %, 100.00.

9.

Buy a Safe for the Office, and pay for same by check on F. C. Bank, 225.00.

NOTE No. 1.—In the following months a Cash Book is to be kept as an auxiliary book, and the use of the Bill Book is to be continued. In opening the Cash Book, omit the first page, so as to bring the Receipts and Disbursements on opposite pages. Whenever cash is received, enter the amount, with an appropriate explanation, on the *left* side of the Cash Book, and on the *right* side when paid out. The difference should exhibit, at any time, the cash on hand. At the end of the month you will balance your Cash Book, bringing down the balance of cash on hand. (See Cash Book form, on pages 78 and 79.)

NOTE No. 2.—The Cash Book may be kept as a principal book, omitting all cash transactions from the Journal, and posting them directly from the Cash Book. (This method will be illustrated hereafter.)

It is customary to balance the Cash Book every day in business, and prove the cash; that is, ascertain whether the cash on hand agrees with the balance shown by the Cash Book.

9.

Pay Hart, Bliven & Mead, in full of $\%$, as follows: Cash, 250.00; C. B. Shafer's note received 5th inst., less discount to maturity; and check on F. C. Bank for balance.

10.

Deposit in F. C. Bank all the cash on hand.

..

Cash sales, as per Cash Drawer, 85.35.

11.

Sell Barber & Swift, 10 B. S. Drills, @ 7.25 each; 5 doz. P. G. Coal Hods, @ 15.00 doz. Receive their check on Farmers' Bank of Georgetown, 50.00; and their note at 10 days, payable at Farmers' Bank, for balance.

12.

Pay Hamilton & Mathews, in full of $\%$, the check received of Barber & Swift 11th inst., less cost of collecting same, 25c., and currency for balance.

13.

Buy of Pratt, Conway & Mills, Pittsburgh, 200 kegs Cut Nails, 20,000 lbs., @ 3c. lb. Pay them cash, 50.00; your check on F. C. Bank, 150.00; and your two notes in equal amounts for the balance, one at 30 days and the other at 60 days, both payable at F. C. Bank, with interest.

14.

Sell L. B. Mason, on $\%$, 2 doz. C. S. Angers, @ 7.25 doz.; 5 doz. Carpet Stretchers, @ 3.00 doz.; 10 kegs Cut Nails, 1000 lbs., @ 4c. lb.

..

Cash sales, as per Cash Drawer, 18.50.

15.

A note due at F. C. Bank to-day has been charged to your $\%$.

16.

Sell Oliver Bro's & Co., Williamsburg, 50 kegs Cut Nails, 5000 lbs., @ 4c.; 10 B. S. Drills, @ 7.25; 3 doz. Steelyards, @ 9.15 doz. Receive in payment, a note made by Louis Ernst, in their favor, dated October 15th last, at 90 days, payable at Traders' Bank, and endorsed by them to you, 200.00, less discount to maturity. Balance on $\%$.

18.

Receive cash of E. Langworthy, to apply on $\%$, 50.00.

19.

Buy of Hart, Bliven & Mead, 1 doz. 10-qt. Ice Cream Freezers, @ 90.00 doz.; 2500 lbs. Babbit Metal, @ 12½c. lb.; 20 doz. No. 2 Cow Bells, @ 8.10 doz.; 15 Copying Presses, with wheel, @ 4.75 each; 100 pairs B. D. Hangers, @ 2.00 pr.; 75 doz. R. H. Bread Knives, @ 85c. doz. Give them check on F. C. Bank for one-half of the invoice. Balance on $\%$.

20.

Student appropriates the following for his individual use: 1 pr. B. D. Hangers, 2.00; 1 Copying Press, 4.75; 1 l. C. Freezer, 7.50.

..

Deposit in F. C. Bank all the cash on hand.

21.

Pay Daily Tribune, Advertising Bill, by check on F. C. Bank, 18.50.

..

An acceptance due at F. C. Bank to-day has been charged to your $\%$.

22.

Sell L. B. Mason, 2 doz. Cow Bells, @ 9.50 doz.; 4 Copying Presses, @ 6.00 each; 25 kegs Cut Nails, 2500 lbs., @ 4c. lb. Receive in payment, cash, 50.00. Balance on $\%$.

23.

A note due at F. C. Bank to-day has been charged to your $\%$.

..

Barber & Swift pay 25.00 cash on their note due to-morrow, and renew the balance by a new note at 30 days, payable at Farmers' Bank. Interest on the new note paid in advance in cash.

25

Accept a draft on you by Hart, B. & M., at 15 days' sight, for 250.00, to apply on *q/c*.

27.

Receive cash of Geo. W. Banning to balance his *q/c*.

"

Sell Oliver Bro's & Co., on *q/c*, 500 lbs. B. Metal, @ 14c. lb.; 20 doz. R. H. Bread Knives, @ 1.05 doz.; 25 pairs B. D. Hangers, @ 2.50; 100 kegs C. Nails, 10,000 lbs., @ 4c.

29

The draft drawn on Barber & Swift, 5th inst., due yesterday, was protested for non-payment. Protest fees, 1.25. Give check on F. C. Bank to cover the draft and fees. (See note below.)

"

Give Hemingway & Selden your check on F. C. Bank, to apply on *q/c*, 100.00.

30.

Draw a sight draft on L. B. Mason for 75.00, and pay it to Hart, B. & M., to apply on *q/c*.

"

Pay one month's rent as follows: Deliver goods from the store amounting to 58.75, on H. N. Smith's order, and pay the balance in cash.

After your Journal has been approved, you may balance your Cash Book and bring down the balance of cash on hand, as illustrated on pages 78 and 79. You will observe that in bringing down the balance it is carried to the *last* column, the object being to avoid including this amount in the receipts of cash for December, which are to be entered in the first column.

Since the debits and credits of cash are shown in detail in the Cash Book, you may omit them in posting from the Journal, and simply post the debit and credit footings as shown by the Cash Book.

Post all the other debits and credits from the Journal as heretofore instructed. Post under the September and October headings, opening new accounts when necessary. Give each new account one-third of a page space. After you have completed the posting, take a Trial Balance. Should your Trial Balance not prove, see 94 to 109, page 21. None of the accounts are to be closed. If an account balances, rule it up. Should an account get crowded for space, transfer it to a new page. (See 154-156, page 36.) A few results are here given: Difference in Bank account, 3147.61; Cash, 134.14; Bills Payable, 650.00; Interest and Discount, 1.50; Expense, 354.55; Mdse. bought, 2665.13; Mdse. sold, 1658.80.

DECEMBER 1, 188—.

Buy of E. Corning & Co., 10 doz. C. S. Augers, @ 5.50 doz.; 20 doz. P. G. Coal Hods, @ 12.00 doz. Give them note at 20 days, payable at F. C. Bank, with interest, 150.00; cash, 45.00. Balance on *q/c*.

2.

Receive of E. Langworthy, cash to balance his *q/c*.

4.

Sell C. B. Shafer, 2 I. C. Freezers, @ 10.00 ea.; 500 lbs. Babbit Metal, @ 15c. lb.; 5 doz. Cow Bells, @ 9.50 doz.; 10 doz. R. H. Bread Knives, @ 1.05 doz. Receive in payment, his note at 15 days for 75.00; cash, 25.00. Balance on *q/c*.

6.

Have Louis Ernst's note, received 16th ult., discounted at F. C. Bank, and the proceeds placed to your credit.

8.

Pay Clerk's Salary in cash, 50.00.

NOTE.—The fees in this case are properly chargeable to Barber & Swift's account, as the draft was drawn at their request.

9.

Receive Oliver Bro's & Co.'s check on City Bank of Williamsburg, 101.96, on $\frac{a}{c}$.

12.

Buy of Hamilton & Mathews, 50 doz. Brass Rod Curry Combs, @ 1.75 doz.; 10 doz. 10-inch Trowels, @ 8.50 doz.; 25 doz. Boot Jacks, @ 3.25 doz. Pay them Oliver Bro's & Co.'s check, received 9th inst., and your check on F. C. Bank for balance.

”

Deposit cash in F. C. Bank, 50.00.

13.

An acceptance, due to-day, has been charged to your $\frac{a}{c}$ at F. C. Bank.

14.

Sell F. E. Hodgson, Maplewood, 25 kegs Cut Nails, 2500 lbs., @ 4 $\frac{3}{4}$ c.; 5 doz. B. R. Curry Combs, @ 2.25 doz.; 3 doz. Boot Jacks, @ 5.00 doz.; 5 B. S. Drills, @ 7.25. Receive his note at 60 days, endorsed by A. M. Hardy, payable at Branch County National Bank, for 100.00. Balance on $\frac{a}{c}$.

16.

Your note and interest due to-day has been charged to your $\frac{a}{c}$ at F. C. Bank.

”

Cash sales, per Cash Drawer, 55.25.

18.

Give Hemingway & Selden, check on F. C. Bank, to balance $\frac{a}{c}$.

20.

Buy of Pratt, Conway & Mills, 500 kegs Cut Nails, 50,000 lbs., @ 3 $\frac{3}{4}$ c. Give them check on F. C. Bank in full payment for same.

22.

Receive cash for a note due to-day.

23.

Sell E. Langworthy, 100 kegs Cut Nails, 10,000 lbs., @ 4 $\frac{3}{4}$ c. lb.; 3 doz. 10-inch Trowels, @ 10.25 doz.; 20 doz. B. R. Curry Combs, @ 2.25 doz. Receive in payment, his draft at one day's sight on Hemingway & Selden, which they accept, 250.00. Balance on $\frac{a}{c}$.

”

Receive cash of C. B. Shafer, in full of $\frac{a}{c}$.

24.

Your note due at F. C. Bank to-day has been charged to your $\frac{a}{c}$.

25.

Oliver Bro's & Co. represent that the Babbit Metal sold them 27th ult. was of an inferior quality, and claim a reduction of 4c. per lb. Hart, B. & M., of whom you bought the Metal, instruct you to allow the claim and charge it to them.

26.

Receive cash for a note due to-day.

”

X Deposit in F. C. Bank all the cash on hand.

27.

Receive cash for an acceptance in your favor due to-day.

”

Sell Geo. W. Banning, on $\frac{a}{c}$, 4 doz. R. H. Bread Knives, @ 1.05 doz.; 1 doz. Cow Bells, @ 10.07 doz.; 5 doz. Boot Jacks, @ 3.25 doz.; 1 Copying Press, 6.00; 2 doz. Carpet Stretchers, @ 3.00 doz.; 50 kegs Cut Nails, 5000 lbs., @ 4 $\frac{1}{2}$ c. lb.

29.

Receive cash of Oliver Bro's & Co., to balance $\frac{a}{c}$.

30.

Barber & Swift have compromised with their creditors at 40 %. Receive cash of them on that basis in full settlement of their %.

„

Draw a sight draft on L. B. Mason for the balance he owes you, and pay same to Hart, Bliven & Mead, together with sufficient cash to balance their %.

31.

Pay Rent of Store, 100.00, and Clerk's Salary, 50.00, in cash.

„

Deposit in Bank all the cash on hand.

NOTE.—Close the Cash Book and post as instructed on page 74.

INVENTORIES, DECEMBER 31, 188—.

MDSE.—Goods on hand, as per Inventory Book,	3550 25
EXPENSE.—Safe on hand, valued at	200 00

Make out Balance Sheet, and close the Ledger. The Summary of your Balance Sheet should agree with the following:

SUMMARY, DECEMBER 31, 188—.

Total Gains, - - - - -	1477 94	Student's $\frac{1}{2}$ Net Gain, - -	532 13
“ Losses, - - - - -	413 68	“ acc't debited, - -	85 99
Net Gain, - - - - -	1064 26	“ Present Worth, -	446 14
		Whitney's Investment, -	5000 00
Total Resources, - - - - -	6278 27	“ $\frac{1}{2}$ Net Gain, - -	532 13
“ Liabilities, - - - - -	300 00	“ Present Worth, -	5532 13
Present Worth, - - - - -	5978 27	Present Worth of Firm, -	5978 27

NOTE.—After you have completed the work upon your books, present them to the teacher for inspection. An examination will likewise be given, in which you will be required to make the journal entries for all of the parties in a large variety of business transactions, together with a review of the principles as outlined in the questions upon pages 53, 54 and 63, together with the following:

MISCELLANEOUS QUESTIONS.

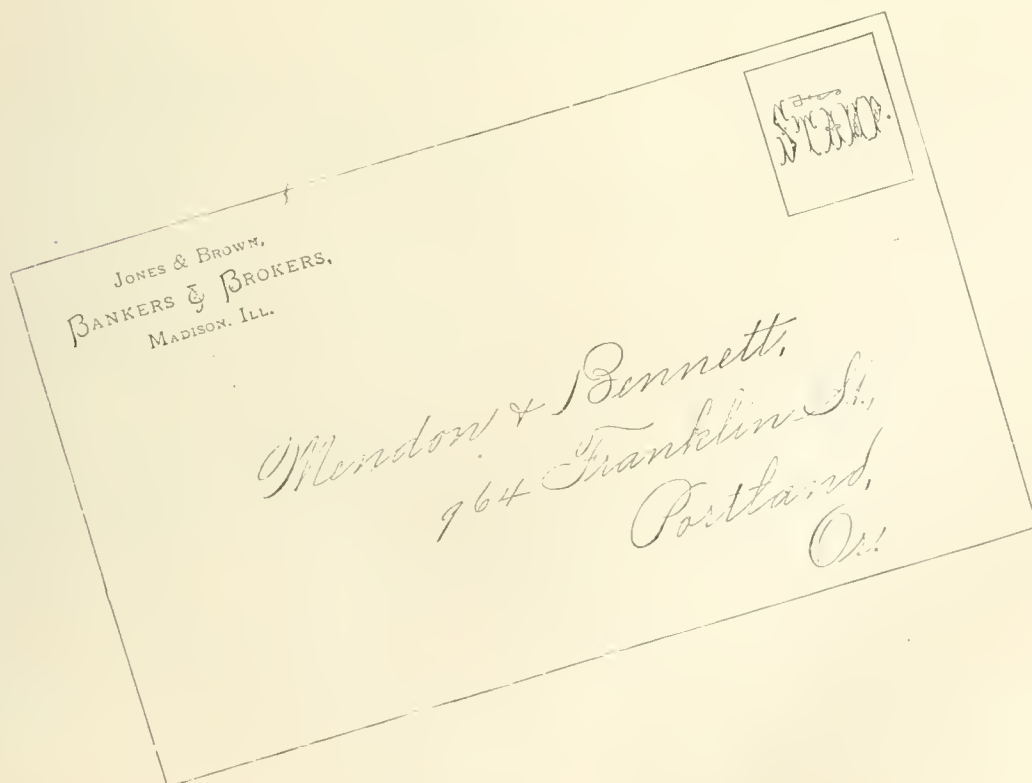
¹ From what does Double Entry Book-keeping take its name? ² How are you enabled to decide to which of the two general classes of accounts used in double entry any particular account belongs? ³ What title may be used instead of the proprietor's name? ⁴ Mention the three accounts in which the excess, if any, must *always* appear on the same side, and state the reason in each case? ⁵ To which of the two general classes of accounts does a Personal account belong? ⁶ What circumstance might arise to place it in the other class? ⁷ Why is it necessary that Bills Payable and Bills Receivable should always be debited and credited with their *face* value? ⁸ Mention some of the errors which will not affect the equality of the Ledger. ⁹ In case the Trial Balance does not prove, give the short tests to be applied before proceeding to examine the posting. ¹⁰ When the check of another person is received, how is it journalized? ¹¹ Give an example of an inventory showing a liability. ¹² Give the two ways of finding the Present Worth in double entry. ¹³ What is meant by Insolvency? ¹⁴ What is the object of closing accounts showing losses and gains? ¹⁵ In closing an account, why is the equality of the Ledger not affected? ¹⁶ What is meant by the acceptance of a draft? ¹⁷ Give the general rule for journalizing drafts when drawn on account. ¹⁸ What journal entry is made when the proprietor commences business with both Resources and Liabilities? ¹⁹ What would a Shipment account show at the time of making a Balance Sheet, if no Account Sales had been received? ²⁰ What would a Consignment account show, if unclosed at time of making a Balance Sheet?

Madison, Ill., Sept. 27, 1888

Mendon & Bennett,
964 Franklin St.,
Portland, Or.

Gentlemen:- Your letter of the 25th inst., requesting information in regard to the financial standing of Mr. James H. Putnam, is received. We are pleased to say that we have always found him to be trustworthy and we think you would be entirely safe in giving him credit to the amount stated in your letter.

Yours respectfully,
Jones & Brown.



Cash Receipts

188-					
Nov.	1	Geo. D. Whiting	Investment	50 00	
	3	Mdse	Sold E. Langworthy	50	
	6	"	Sales per Cash Drawer	48 75	
	8	G. W. Banning	On account	51 90 15	
	10	Mdse	Sales per Cash Drawer	85 35	
	11	"	Sold Barber & Swift	50	
	14	"	Sales per Cash Drawer	18 50	
	18	E. Langworthy	On account	55 02 60	
	22	Mdse	Sold L. B. Mason	50	
	23	Bills Recd	Barber & S. on note	25	
		" Interest	On B. & S. note	39	
	27	G. W. Banning	In full of account	100	5577 99
					5577 99
188-					
Dec	1	Balance	Cash on hand		134 14
	2	E. Langworthy	In full of account	45 50	

BUSINESS FORMS.

RECEIPT (To Apply on Account).

\$175.25. PHILADELPHIA, Jan. 6, 188-.
Received of Wm. De Long, One Hundred and Seventy-five $\frac{25}{100}$ Dollars, to apply on account.
CHAS. G. APGAR

RECEIPT (In Full of Account).

\$200. COBURG, O., Mar. 16, 188-.
Received of Walter Williams, Two Hundred Dollars, in full of account to date.
SMITH & WEIGHTMAN.

RECEIPT (Payment on Note).

\$150. RICHFIELD, Pa., Sept. 27, 188-.
Received of Elihu Biddlecom, One Hundred and Fifty Dollars, to apply on his note, in our favor, dated Mar. 27, 188-.
GEO. T. CREED & CO.

DUE BILL (Payable in Goods).

\$25. SARDINIA, N. Y., Aug. 1, 188-.
Due R. F. Bainbridge, Twenty-five Dollars, payable in goods from our store.
EATON, CROSS & CO.

DUE BILL (Payable in Money).

\$47.64. SMITH'S HOLLOW, Dec. 9, 188-.
Due Cha's Parker, or order, on demand, Forty-seven and $\frac{64}{100}$ Dollars.
W. H. GORDON.

ORDER (To Apply on Account).

\$50. CHELSEA, MICH, Apr. 10, 188-.
French & Hagerman, 149 Lagrange Street, will please pay the bearer Fifty Dollars, and charge the same to my account.
D. W. EVEREST.

ORDER (Payable in Goods).

BURLINGTON, KAS., Dec. 6, 188-.
E. & S. Campbell will please deliver to bearer groceries, not exceeding in amount Twenty-five Dollars, and charge the same to me.
RALPH BARTON.

INDIVIDUAL NOTE.

(See engraved form, on page 21.)
\$350. ROCHESTER, N. Y., Feb. 2, 188-.
Six days after date I promise to pay W. C. Cooper, or order, Three Hundred and Fifty Dollars, value received.
Due Feb. 11, 188-.
STUDENT

BUSINESS FORMS.

BILL.

Jackson, Mich. July 24, 1888

Mr. John H. Hammond

Bot. of Wm. E. Penning & Bro.

364 lbs. P. W. Mutton	9¢	3.276
493 " C. D. Beef	10¢	49.30
240 " B. P. Pork	8¢	19.20
Received payment		101.26
<i>Wm. E. Penning & Bro.,</i>		
<i>per J. H. P.</i>		

ACCOUNT SALES

Acct. Sales of 1000 Bu. Barley for J. O. Young

188-	July 24	Sold for cash		
		1000 bu Barley	90¢	905
		Charges		
"	21	Freight	60	
"	24	Storage	10	
		Commission 2% on sales	18	
				88
		J. O. Young's net proceeds		812
		Omaha, Neb. July 24, 188-		

SINGLE ENTRY.

¹ The distinguishing feature of Single Entry book-keeping is, that only Personal accounts are kept in the Ledger.

² This system of book-keeping contemplates such a record, or the filing of such documents for reference only, as will enable the proprietor to determine at any time the Resources and Liabilities of his business, which cannot be found by taking an inventory.

³ For this purpose the practice is to journalize and post personal accounts only. Cash receipts and payments are entered in the Cash Book, and Bills Receivable and Bills Payable in the Bill Book.

⁴ It is sometimes found necessary to employ additional books of record, the number and character depending upon the nature and extent of the information which it is desired to preserve: as, Order Book, Invoice Book, Sales Book, etc.

⁵ Since no accounts showing gains and losses are kept in Single Entry, it follows that an itemized statement of the gains and losses of the business cannot be obtained.

⁶ The Net Gain or Net Loss of the business can be determined, however, in the following manner: First ascertain the Present Worth, by finding the difference between the Resources and Liabilities, and then compare it with the Investment.

⁷ If the present worth is greater than the investment, the difference shows a net gain; if less, a net loss.

The following sets are designed to illustrate book-keeping by Single Entry, also changing Single Entry books to Double Entry. The books to be used are Journal, Ledger, Cash Book and Bill Book. The form of Journal is illustrated on page 82. Cash Book and Bill Book are to be kept in the form used heretofore.

January 1, 18-

Student	Cr.			3220
Commenced business with the following Resources:				
Store and Lot		2500		
Horse and Wagon		225		
Cash on hand		500		
Smith Perkins & Co.	Cr.			787 50
Bot Mdse. on acct, per Invoice No. 1,				
A. Thompson, Aurora,	Dr.			84
2 ch. J. Tea, 70 lbs.	70¢	49		
2 " B " 70 lbs.	50¢	35		
2				
Mrs. Eliza Smith, 27 Mann St.,	Dr.			2 51
10 lbs. A. Sugar,	11¢	1 10		
1 " J. Tea,		38		
2 " J. Coffee,	28¢	56		
2				
Smith, Perkins & Co.	Cr.			256 50
Bot Mdse. on acct, Invoice, No. 2				
2				
Wm. Johnson, 144 Lyell Ave.,	Dr.			1 87
4 1/2 lbs. Wackerel,	2¢	54		
1 " B. Tea,		58		
2 " A. Coffee,	24¢	48		
3				
Smith, Perkins & Co.	Dr.			300
Note on acct, per B. B.,				
3				
A. Thompson,	Cr.			15
Cash to apply on acct				

JANUARY 1, 188—.

Commence business with the following resources: Store and Lot valued at 2500.00; Horse and Wagon valued at 225.00; Cash, 500.00. (*Enter in Journal and Cash Book; see form of Journal on page 82.*)

..

Buy of Smith, Perkins & Co., City, on $\frac{1}{2}\%$, at 15 days, 10 bbls. A Sugar, 1250 lbs., @ 10c.; 10 ch. Japan Tea, 350 lbs., @ 60c.; 10 ch. Black Tea, 350 lbs., @ 45c.; 5 half bbls. Mackerel, @ 4.00; 10 mats Java Coffee, 1250 lbs., @ 22c. (*Enter in J.; see page 82.*)

NOTE.—It is unnecessary to enter the items in the Journal, the Invoice itself being placed on file for reference.

..

Sell A. Thompson, Aurora, on $\frac{1}{2}\%$, 2 ch. J. Tea, 70 lbs., @ 70c.; 2 ch. B. Tea, 70 lbs., @ 50c. (*J.; see form on page 82.*)

..

Cash sales, per Cash Drawer, 175.38. (*C. B.; see 3, page 81.*)

2.

Sell Mrs. Eliza Smith, 27 Main St., on $\frac{1}{2}\%$, 10 lbs. A Sugar, @ 11c.; 1 lb. J. Tea, @ 85c.; 2 lbs. J. Coffee, @ 28c. (*J.*)

..

Buy of Smith, Perkins & Co., on $\frac{1}{2}\%$, 10 bbls. Brown Sugar, 1250 lbs., @ 9c.; 10 sacks Rio Coffee, 800 lbs., @ 18c.

..

Sell Wm. Johnson, 144 Lyell Ave., on $\frac{1}{2}\%$, 4½ lbs. Mackerel, @ 12c.; 1 lb. B. Tea, 55c.; 2 lbs. Rio Coffee, @ 24c.

3.

Give Smith, Perkins & Co., your note at 10 days, payable at College Bank, to apply on $\frac{1}{2}\%$, 300.00. (*J. and B. B.; see 3, page 81.*)

NOTE.—Before entering this note, draw a red line across both pages in the Bill Book, below the last entry, to separate this from the previous sets.

..

Receive cash of A. Thompson, on $\frac{1}{2}\%$, 15.00. (*J. and C. B.*)

..

Buy of Smith, Perkins & Co., on $\frac{1}{2}\%$, 12 doz. Brooms, @ 2.25; 4 doz. Wood Pails, @ 2.00.

..

Sell James Jamieson, 27 Broadway, on $\frac{1}{2}\%$, 25 lbs. A Sugar, @ 10c.; 4 lbs. J. Tea, @ 80c.; 2 lbs. Rio Coffee, @ 24c.

5.

Pay Clerk cash, to apply on Salary, 5.00. (*C. B.*)

..

Cash sales, per Cash Drawer, 246.75. (*C. B.*)

6.

Sell Mrs. Eliza Smith, on $\frac{1}{2}\%$, 10 lbs. B. Sugar, @ 10c.; 4¼ lbs. Mackerel, @ 12c.; 2 Wood Pails, @ 25c.

..

Receive cash of Wm. Johnson, 3.00, and of James Jamieson, 5.00, on $\frac{1}{2}\%$. (*J. and C. B.*)

7.

Buy of H. Gordon & Co., City, on your note at 20 days, payable at College Bank, 2 bbls. A Sugar, 250 lbs., @ 10c.; 2 bbls. Brown Sugar, 250 lbs., @ 8½c.; 1 ch. Japan Tea, 35 lbs., @ 55c. (*B. B.; see 3, page 81; also see note below.*)

NOTE.—No entry is to be made in the Journal, because your indebtedness is not to Gordon & Co. personally, but in the form of Bills Payable, and is shown by the Bill Book.

..

Sell Mrs. Eliza Smith, on $\frac{1}{2}\%$, 2 Wood Pails, @ 22c.; 1 Broom, 25c.; 1 lb. Rio Coffee, 24c.

7.

Cash sales for the day, per Cash Drawer, 127.64.

8.

Receive of Alex. Thompson, his note at 3 days, payable at Traders' Bank, to apply on $\frac{1}{4}\%$, 25.00. (*J. and B. B.*)

NOTE.—A good rule for the student, who is familiar with double entry, to use in journalizing by single entry, is, first to decide what journal entry would be made for the transaction by the *double entry* method; then if he find in such entry that a person is to be either debited or credited, the same person must be debited or credited in the single entry Journal, otherwise no journal entry is to be made.

9.

Sell Wm. Johnson, on $\frac{1}{4}\%$, 50 lbs. B. Sugar, @ $9\frac{1}{2}\text{c.}$; 1 Broom, 25c.; 5 lbs. Rio Coffee, @ 24c. ; 2 Wood Pails, @ 22c.

..

Pay cash for ton of Coal for office use, 6.50.

10.

Pay Smith, Perkins & Co., cash to apply on $\frac{1}{4}\%$, 100.00. (*J. and C. B.*)

..

Buy of Geo. F. Doyle, Salina, on $\frac{1}{4}\%$, at 10 days, 25 bbls. Salt, @ 1.25.

..

Wm. Johnson returns for credit, 4 lbs. of the Rio Coffee bought 9th inst., the quality not being satisfactory.

11.

Sell A. Thompson, 10 bbls. Salt, @ 1.40; 2 ch. J. Tea, 70 lbs., @ 70c. ; 3 bbls. B. Sugar, 375 lbs., @ 10c. Receive in payment, cash, 25.00. Balance on $\frac{1}{4}\%$. (*J. and C. B.*)

NOTE.—In transactions like the above in single entry, it is customary to make an entry in the Journal debiting the person with the whole bill purchased, and then make a second entry giving him credit for the amount paid.

12

Pay Clerk cash to apply on Salary, 10.00.

..

Receive cash of Mrs. Eliza Smith, to apply on $\frac{1}{4}\%$, 1.50.

13.

Pay Smith, Perkins & Co., to apply on $\frac{1}{4}\%$, cash, 50.00, and your note at ten days, payable at College Bank, 100.00. (*J., C. B. and B. B.*)

..

Sell Wm. Johnson, on $\frac{1}{4}\%$, 10 lbs. A Sugar, @ 10c. ; 2 lbs. J. Tea, @ 85c. ; 5 lbs. Rio Coffee, @ 22c.

14.

Buy of Geo. F. Doyle, on $\frac{1}{4}\%$, at 10 days, 25 bbls. Salt, @ 1.25.

..

Receive cash of A. Thompson, for his note of 8th inst. due to-day, 25.00. (*C. B. and B. B.*)

..

Cash sales, as per Cash Drawer, 358.40.

15.

Pay Geo. F. Doyle's sight draft on you to apply on $\frac{1}{4}\%$, in cash, 25.00. (*J. and C. B.*)

..

Pay Book-keeper cash, to apply on Salary, 25.00.

..

Receive of A. Thompson, his note at ten days, payable at Traders' Bank, to balance $\frac{1}{4}\%$, 119.50.

..

Sell James Jamieson, on $\frac{1}{4}\%$, 10 lbs. B. Sugar, @ $9\frac{1}{2}\text{c.}$; 2 lbs. J. Tea, @ 80c. ; 5 lbs. Rio Coffee, @ 24c.

16.

Pay your note of 3d inst., favor of Smith, Perkins & Co., in cash, 300.00.

NOTE.—You may now balance the Cash Book and post the foregoing transactions. Give each account one-fourth of a page space. Omit "To" and "By" hereafter in posting. The books are to be changed to double entry after you have completed the posting, full instructions for which are given below. You should study those instructions very carefully, and perform the work *precisely* as they direct.

INSTRUCTIONS FOR CHANGING THE BOOKS TO DOUBLE ENTRY.

1st. ⁸ An inventory is to be taken of the Mdse. and other property on hand, its value being estimated at what the property could be purchased for at the present time. The result of such inventory is as follows:

INVENTORY, JANUARY 16, 188-.

Mdse. on hand, per Inventory Book,	270 72
Horse and Wagon, valued at	225 00
Store and Lot, " "	2500 00

NOTE.—You may copy the above Inventory in your Journal, immediately following the last entry.

2d. ⁹ The resources and liabilities exhibited by the various books, viz: Ledger, Cash Book and Bill Book, are next to be obtained, and, with the Inventories, arranged in a convenient form, as shown below, for determining the condition of the business.

STATEMENT, JANUARY 16, 188-.

RESOURCES.		LIABILITIES.	
Mdse., per Inventory,	270 72	Bills Payable, per Bill Book,	165 50
Store and Lot, per Inventory,	2500 00	Personal Accounts, per Ledger,	566 50
Horse and Wagon, per Inventory,	225 00		
Cash, per Cash Book,	961 17		
Bills Receivable, per Bill Book,	119 50		
Personal Accounts, per Ledger,	16 93		
	<u>4093 32</u>		<u>732 00</u>

SUMMARY.

Total Resources,	4093 32	Present Worth,	3361 32
“ Liabilities,	732 00	Investment,	3225 00
	<u>3361 32</u>		<u>136 32</u>
Present Worth,		Net Gain,	

NOTE.—Make a Statement like the above in your Trial Balance or Statement book. Do not copy the above form merely, but verify all of the results by your own books.

3d. ¹⁰ The Present Worth is found, as shown above, by taking the difference between the Resources and Liabilities; and ¹¹ the Net Gain is then found by taking the difference between the Present Worth and the Investment.

4th. ¹² Since in Single Entry the Ledger contains only a portion of the Resources and Liabilities, viz: Personal accounts, it is apparent that, to change it to Double Entry, such additional accounts must be opened as will cause the Ledger to exhibit all of the Resources and Liabilities of the business, as shown by the foregoing Statement; and ¹³ the Net Gain must be credited to the Proprietor's account.

NOTE.—You may now proceed, in accordance with the above instructions, to open the additional accounts required to place your Ledger in the Double Entry form. After you have completed this work, your accounts should correspond with those given on pages 86–87. Mdse. will require one-half of a page space; all other accounts one-fourth of a page each.

5th. ¹⁴ After the change to Double Entry has been made in accordance with the foregoing directions, your Ledger must be in balance, because *all* of the Resources appear upon the Dr. side, and all of the Liabilities and the Present Worth, which is the difference between the Resources and Liabilities, appear upon the Cr. side.

STUDENT.

188-	Jan.	16	Present Worth,		3361	32	188-	Jan.	1	Investment,	82	3225	
									16	Net Gain,		136	32
					3361	32						3361	32
									16	Present Worth,		3361	32

SMITH, PERKINS & CO., City.

188-	Jan.	3	Bills Pay.,	82	300		188-	Jan.	1	Mdse.	82	787	50
		10	Cash,		100				2	"	82	256	50
		13	Sundries,		150				3	"	82	35	
					550							1079	

A. THOMPSON, Aurora.

188-	Jan.	1	Mdse.	82	84		188-	Jan.	3	Cash,	82	15	
		11	"		100	50			8	Bills Rec'y,		25	
									11	Cash,		25	
									15	Bills Rec'y,		119	50
					184	50						184	50

MRS. ELIZA SMITH, 27 Main Street.

188-	Jan.	2	Mdse.	82	2	51	188-	Jan.	12	Cash,		1	50
		6	"		2	01							
		7	"			93							
					5	45							

WM. JOHNSON, 144 Lyell Ave.

188-	Jan.	2	Mdse.	82	1	57	188-	Jan.	6	Cash,		3	
		9	"		6	64			9	Mdse. ret'd,			96
		13	"		3	80						8	96
					12	01							

JAMES JAMIESON, 27 Broadway.

188-	Jan.	3	Mdse.	82	6	18	188-	Jan.	6	Cash,		5	
		15	"		3	75							
					9	93							

GEO. F. DOYLE, Salina.

188-	Jan.	15	Paid Draft,		25		188-	Jan.	10	Mdse.		31	25
									14	"		31	25
												62	50

MERCHANDISE.

188-	Jan.	16	Goods, per Inv.		270	72							
------	------	----	-----------------	--	-----	----	--	--	--	--	--	--	--

REAL ESTATE.

[illegible]

EXPENSE.

188- Jan.	16	Horse and Wagon,	225						
--------------	----	------------------	-----	--	--	--	--	--	--

CASH.

[illegible]

BILLS RECEIVABLE.

188- Jan.	16	On hand, per B. B.	119 50						
--------------	----	--------------------	--------	--	--	--	--	--	--

BILLS PAYABLE.

[illegible]

NOTE.—You may now continue the business, the books to be kept by Double Entry. The combined Day Book and Journal form, as illustrated on page 64, is to be used. Continue the use of the Cash Book and Bill Book.

JANUARY 17, 188-.

Buy of H. Gordon & Co., on *ac*, 10 bbls. B. Sugar, 1250 lbs., @ 8c. (J.)

— 4 —

Cash sales, per Cash Drawer, 75.25. (*J. and C. B.*)

18.

Sell Wm. Johnson, on $\frac{a}{c}$, 2 lbs. J. Tea, @ 80c.; 5 lbs. Rio Coffee, @ 25c.; 30 lbs. A Sugar, @ 11c.

● ●

Sell E. T. Miller, on his note at 15 days, payable at City Bank. 5 bbls. A Sugar, 625 lbs., @ 10½c.: 10 bbls. B. Sugar, 1250 lbs., @ 9c.: 3 ch. J. Tea, 105 lbs., @ 65c. (*J. and B. B.*)

19.

Receive cash of Mrs. Eliza Smith, to balance *a/c*.

94

Buy of H. Gordon & Co., on *a/c*, 15 bbls. A Sugar, 1875 lbs., @ 94¢.

20.

Sell James Jamieson, on *q/c*, 20 lbs. A Sugar, @ 11c.; 5 lbs. Rio Coffee, @ 24c.; 2 bbls. Salt, @ 1.50.

..

Cash sales, per Cash Drawer, 115.05.

21.

Give Geo. F. Doyle your note at 30 days, payable at College Bank, to balance *ac*.

• •

1 Buy of H. Gordon & Co., on *a/c*, 5 ch. J. Tea, 175 lbs., @ 60c.

22.

Sell A. Thompson, 10 bbls. Salt, @ 1.40; 2 ch. J. Tea, 70 lbs., @ 70c.; 2 ch. B. Tea, 70 lbs., @ 55c. Receive cash, 50.00. Balance on *acc.*

22.

Pay Smith, Perkins & Co., cash on *a/c*, 100.00.

..

Cash sales, per Cash Drawer, 98.34.

23.

Sell Frank C. Hedstrom, Sardinia, 5 ch. B. Tea, 175 lbs., @ 55c.; 2 doz. W. Pails, @ 2.50; 4 doz. Brooms, @ 2.65; 2 half bbls. Mackerel, @ 4.75; 5 bbls. A Sugar, 625 lbs., @ 10½c. Receive his note at 10 days, payable at First National Bank, 100.00. Balance on *a/c*.

..

Receive cash of Wm. Johnson on *a/c*, 5.00.

24.

Buy of Geo. F. Doyle, on your note at 20 days, 50 bbls. Salt, @ 1.25.

..

Cash sales, per Cash Drawer, 138.40.

25.

Pay cash for permanent improvements on store, 200.00.

..

Pay Gas Bill in cash, 11.75.

..

Sell Wm. Johnson, on *a/c*, 5 lbs. J. Tea, @ 80c.; 50 lbs. B. Sugar, @ 9½c.; 10 lbs. Rio Coffee, @ 25c.

26.

Receive cash of James Jamieson, to balance *a/c*, 11.33.

..

Pay your note of 13th inst., due to-day, in cash.

27.

Buy of Smith, Perkins & Co., 10 bbls. A Sugar, 1250 lbs., @ 10c.; 10 bbls. B. Sugar, 1250 lbs., @ 9c.; 5 ch. J. Tea, 175 lbs., @ 60c.; 10 mats J. Coffee, 1250 lbs., @ 22c. Give them your note at 10 days, 300.00. Balance on *a/c*.

28.

Pay H. Gordon & Co. cash on *a/c*, 178.44.

..

Receive cash of A. Thompson, for his note of 15th inst., due to-day.

29.

Cash sales, per Cash Drawer, 216.49.

..

Sell the Horse and Wagon for cash, 235.00.

30

Pay your note of 7th inst., due to-day, in cash.

31.

Pay Book-keeper 25.00, and Clerk 15.00, cash in full of services to date.

INVENTORIES, JANUARY 31, 188—.

MDSE., as per Inventory Book,	426 48
REAL ESTATE.—Store and Lot, valued at	2700 00

You may now post and make a Balance Sheet. Post to the Cash account the total receipts and payments of cash as exhibited by the Cash Book, instead of posting the items from the Journal separately. After you have completed the Balance Sheet, close the Ledger and bring down the resources and liabilities, and prove them upon a separate sheet of paper, as illustrated on page 40, and present the proof, together with your Ledger, to the teacher for inspection and approval.

A few results are appended: Cash on hand, 1333.79; Total Resources, 4965.58; Liabilities, 1346.50; Net Gain, 257.76.

FEBRUARY 1, 188-. (See Note No. 1.)

<i>Debit</i>		(Student's name),	Cr.			8500	
		Commenced business this day with the following resources and liabilities:					
		Cash on hand, per Cash Book,		3000			
		On deposit in College Bank,		4000			
		100 bbls. Flour,	@ 8.00,	800			
		C. D. French's note, per Bill Book,		200			
		Jas. Harris, on $\frac{a}{c}$,		500			
		(Student's name),	Dr.			881	67
		Note favor Geo. Wells, per Bill Book,		500			
		Interest accrued, 80 days (<i>see Note No. 2</i>),		6	67		
		Due Hill & Co., on $\frac{a}{c}$,		375			
		College Bank,	Dr.			4000	
		Amount on deposit, as above,					
		Jas. Harris,	Dr.			500	
		On account, as above,					
		Hill & Co.,	Cr.			375	
		On account, as above,					
		2.					
		White Bro's,	Cr.			1181	25
		Bo't Mdse. on $\frac{a}{c}$, per Invoice No. 1,					
		3.					
		Hill & Co.,	Dr.			100	
		Paid them, on $\frac{a}{c}$, by check on College Bank,					
		College Bank,	Cr.			100	
		Check favor of Hill & Co.,					

SINGLE ENTRY CASH BOOK.

188- Feb.			RECEIPTS.		PAYMENTS.	
	1	Invested by Student,	3000			
	4	Deposited in College Bank,			500	
	4	15 bbls. Beef,	@ 18.75,	281	25	
	6	C. D. French's note,	200			
	"	White Bro's. on $\frac{a}{c}$,			500	
	7	R. J. Barton, to apply on Mdse.	300			
	8	Office Books and Stationery,			25	
	9	O. W. Jones, on $\frac{a}{c}$,	250			
	10	Deposited in College Bank,			1000	
	12	Jas. Harris, on $\frac{a}{c}$,	200			

NOTE No. 1.—The month of February is to be worked by Single Entry, as explained in the previous set. A few of the first entries, as they should be made in your Journal, are given above. In addition to the Personal accounts, however, a Bank account is to be kept in the Ledger. A different form for keeping a Single Entry Cash Book is also introduced (*see form above*). On March 1 the books are to be changed to Double Entry, and the business continued through March by that method.

NOTE No. 2.—For the purpose of illustrating both methods of computing interest and discount, the one in general use in business will hereafter be used, viz: 360 days, or 12 months of 30 days each, will be considered a year, and taken as a basis of computation. The Student is recommended to use the 6 per cent. or short method of working interest and discount.

FEBRUARY, 188—.

1. Commence business this day with the following resources and liabilities:

RESOURCES: Cash on hand, 3000.00; on deposit in College Bank, 4000.00; 100 bbls. Flour, @ 8.00; C. D. French's note, dated Jan. 4th last, at 30 days, 200.00; Jas. Harris owes on $\frac{1}{2}\%$, 500.00.

LIABILITIES: Your note favor of Geo. Wells, dated Nov. 13 last, at 90 days, payable at College Bank, with interest, 500.00; Interest accrued 80 days on above note; due Hill & Co., on $\frac{1}{2}\%$, 375.00.

2. Buy of White Bro's, on $\frac{1}{2}\%$, 50 bbls. Pork, @ 15.00; 25 bbls. Beef, @ 17.25.
3. Give Hill & Co. your check on College Bank, to apply on $\frac{1}{2}\%$, 100.00. (J.)
4. Sell O. W. Jones, on $\frac{1}{2}\%$, 25 bbls. Flour, @ 9.00; 15 bbls. Pork, @ 16.50.
5. Deposit cash in College Bank, 500.00.
6. Sell for cash, 15 bbls. Beef, @ 18.75.
7. Buy of Geo. J. Marsh, on your note at 15 days, 50 bbls. Beef, @ 17.25.
8. Receive cash for a note due to-day.
9. Pay White Bro's cash on $\frac{1}{2}\%$, 500.00.
10. Sell R. J. Barton, 20 bbls. Beef, @ 18.50; 25 bbls. Flour, @ 9.00. Receive cash, 300.00. Balance on $\frac{1}{2}\%$.
11. Pay cash for set of Office Books and Stationery, 25.00.
12. Receive cash of O. W. Jones, on $\frac{1}{2}\%$, 250.00.
13. Deposit cash in College Bank, 1000.00.
14. Sell H. A. Strong, on his note at 60 days, 25 bbls. Pork, @ 16.25.
15. Buy a Safe for office use, and pay for same by check on College Bank, 225.00.
16. Receive cash of Jas. Harris, on $\frac{1}{2}\%$, 200.00.
17. Buy for cash, 25 bbls. Pork, @ 15.00.
18. Sell O. W. Jones, 25 bbls. Beef, @ 18.50; 25 bbls. Flour, @ 9.25. Receive his note at 10 days, with interest, payable at City Bank, 500.00. Balance on $\frac{1}{2}\%$.
19. Your note and the interest upon it, 7.75, due to-day, has been charged to your $\frac{1}{2}\%$ at College Bank.
20. Sell for cash, 10 bbls. Pork, @ 16.50.
21. Draw cash from the business for your private use, 50.00.
22. Sell Benj. C. Green, 15 bbls. Beef, @ 18.50; 10 bbls. Pork, @ 16.25. Receive cash, 150.00, and his note at 60 days, payable at Traders' Bank, for balance.
23. Give White Bro's your check on College Bank, to apply on $\frac{1}{2}\%$, 300.00.
24. Sell for cash, 10 bbls. Flour, @ 9.25; 5 bbls. Pork, @ 16.25.
25. Buy of White Bro's, on $\frac{1}{2}\%$, 25 bbls. Beef, @ 17.25.
26. Receive cash of Jas. Harris, to balance $\frac{1}{2}\%$, 300.00.
27. Buy of Geo. J. Marsh, on your note at 25 days, payable at College Bank, 50 bbls. Pork, @ 15.00.
28. R. J. Barton has compromised with his creditors at 25¢. Settle his $\frac{1}{2}\%$ on that basis, receiving cash.
29. Pay your note due to-day in cash.
30. Receive cash of O. W. Jones, on $\frac{1}{2}\%$, 222.50.
31. Get H. A. Strong's note, received 11th inst., discounted at College Bank, and receive cash for the proceeds. (See Note 2, page 89.)
32. Sell D. B. Oliver, on $\frac{1}{2}\%$, 20 bbls. Pork, @ 16.25; 10 bbls. Beef, @ 18.50.
33. Receive cash for a note, with interest, due to-day.
34. Pay Salaries, 50.00, and Rent of Store, 50.00, in cash.

INVENTORIES, FEBRUARY 28, 188—.

15 bbls. Flour, @ 8.00; 40 bbls. Pork, @ 15.00; 15 bbls. Beef, @ 17.25.
Office Safe, valued at cost.

Balance the Cash Book. The cash on hand should be 2807.69. In posting, give Bank account one-half of a page space; other accounts one-fourth of a page. After posting, proceed to change the books to Double Entry, according to the instructions given in the previous set on page 85. The Statement should show a Present Worth of \$534.94.

After the necessary steps have been taken to change the Ledger to Double Entry, take a Trial Balance, to be sure that your Ledger is in balance before proceeding with March. Continue the use of the Bill Book and Cash Book in March, using the Double Entry form of Cash Book.

MARCH, 188—.

1. Admit Geo. H. Whitney and W. D. Welch as equal partners in the business.
 Geo. H. Whitney invests: Cash, 6324.34; A. C. Holden's note, dated Jan. 7th last, at 60 days, with interest, 1200.00; Interest accrued to date.
 W. D. Welch invests: Cash, 6054.94; a note made by Bently & Gardner, dated Feb. 16th last, at 90 days, 1500.00; Discount to maturity.
 Sell for cash, 15 bbls. Flour, @ 9.25.
 Deposit in College Bank, cash, 12000.00.
2. Buy of Clark & Co., 300 bbls. Beef, @ 17.25; 50 bbls. Pork, @ 15.00. Give in payment, your note at 10 days, 5175.00; your note at 30 days, 750.00; both notes payable at College Bank, with interest.
 Take out policy of insurance for one year on property in store, 10,000.00. Pay premium at $1\frac{1}{2}\%$ in cash.
3. Receive cash of O. W. Jones, on $\%$, 100.00.
4. Sell Redmond Bro's, Vienna, 25 bbls. Pork, @ 16.25; 25 bbls. Beef, @ 18.50. Receive in payment, cash, 168.75; their note at 20 days, with interest, payable at First National Bank, Vienna, 400.00. Balance on $\%$.
6. Deposit cash in College Bank, 500.00.
 Buy of H. A. Trafford, House and Lot, 344 Plymouth Ave., for 6000.00. Assume a mortgage on same of 2000.00, with interest accrued from Jan. 2 last, 63 days, and pay him the balance by check on College Bank.
 Buy 500 bbls. Flour, @ 8.00, and pay for same by check on College Bank.
8. Pay White Bro's, to apply on $\%$, B. C. Green's note rec'd 17th ult., less discount to maturity. Accept a draft at 10 days' sight, drawn on W. D. Welch by W. T. Owens, for his private account, 600.00.
10. Pay cash for Coal for office use, 12.80.
 Receive of D. B. Oliver, to apply on $\%$, his check on Merchants' National Bank, 310.00.
11. Sell O. W. Jones, on $\%$, 200 bbls. Flour, @ 9.25; 100 bbls. Beef, @ 18.50.
 A. C. Holden, whose note Whitney invested and guaranteed its payment, has compromised with his creditors at 50 $\%$. Receive cash and charge the deficiency to Whitney's account.
12. Deposit in College Bank, Oliver's check, rec'd 10th inst.
 Pay Hill & Co. cash to balance $\%$.
 Receive cash of O. W. Jones, on $\%$, 3543.75.
13. Buy of Scott, Seymour & Scott, on $\%$, 250 bbls. Pork, @ 15.00.
 Exchange checks with Wm. E. Scott for his accommodation, 500.00. His check is dated 16th inst.
15. Your note due to-day, with interest, has been charged to your $\%$ at College Bank.
16. Sell for cash, 100 bbls. Beef, @ 18.50.
 Wm. E. Scott being unable to provide for the check rec'd of him 13th inst., gives you his note at 10 days, with interest, endorsed by Morgan & Howe.
18. Draw a draft on Redmond Bro's at 60 days, for 200.00, and get it discounted at College Bank, receiving credit for the proceeds.
 Sell D. B. Oliver, on $\%$, 150 bbls. Pork, @ 16.25; 100 bbls. Flour, @ 9.25.
 Insure the House No. 344 Plymouth Ave. for 4000.00, at $1\frac{1}{2}\%$, for one year. Pay premium in cash.
21. Receive of O. W. Jones, to balance $\%$, his note at 60 days for 250.00.
 Accept Scott, Seymour & Scott's draft on you at 5 days' sight, payable at College Bank, to apply on $\%$, 2000.00.
 Pay an acceptance due to-day in cash.
23. Your note due to-day has been charged to your $\%$ at College Bank.
 Student and Geo. H. Whitney doubting the responsibility of O. W. Jones, whose note the firm holds, W. D. Welch offers to buy the note at 75 $\%$ of its face, which offer is accepted. Make an entry to adjust the transaction.
24. Pay White Bro's cash on $\%$, 100.00.
26. Buy of Geo. J. Marsh, 150 bbls. Flour, @ 8.00; 50 bbls. Beef, @ 17.25. Give him your note at 60 days, payable at College Bank, for 500.00, and check on College Bank for balance.
 Pay cash for permanent repairs and improvements on House No. 344 Plymouth Ave., 575.00
27. Receive cash for a note due to-day.

28. Sell Redmond Bro's, 200 bbls. Flour, @ 9.25; 165 bbls. Pork, @ 16.25. Receive their note at 30 days, 2000.00. Balance on $\frac{1}{2}\%$.
Deposit cash in College Bank, 5000.00.
Clark & Co., who hold your note for 750.00, given them 2d inst., offer to discount 25.00 and the accrued interest if you will pay it to-day. Accept their proposition and give them a check on College Bank.
29. Your acceptance due to-day has been charged to your $\frac{1}{2}\%$ at College Bank.
Sell the House and Lot No. 344 Plymouth Ave. to Jas. W. Fonda for 6500.00. In addition to this price, he allows you for the permanent repairs and improvements paid for the 26th inst., and also 77.50 on the insurance paid 18th inst. He assumes in payment the mortgage of 2000.00 and accrued interest; gives you his check on Mechanics' Savings Bank for 2103.83, and a mortgage upon the property for the balance.
Receive cash for a note due to-day.
31. Receive cash of D. B. Oliver, to balance $\frac{1}{2}\%$, 3562.50.
Pay Salaries and Rent of Store in cash, 100.00.
Deposit cash in College Bank, 7000.00.

INVENTORIES, MARCH 31, 188—.

MDSE.—150 bbls. Flour, @ 8.00; 140 bbls. Beef, @ 17.25.

EXPENSE.—Insurance unearned, 137.50; Office Safe, valued at 5 % below cost.

Balance the Cash Book. Cash on hand, 1790.66. Post and make out a Balance Sheet. Net Gain for the month, 1674.95. Close the Ledger and prove the balances as heretofore instructed. Present your books and proof of the balances to the teacher before proceeding with the next set.

QUESTIONS FOR REVIEW.

Page 81.—¹ What is the distinguishing feature of Single Entry book-keeping? ² To what extent is it necessary to record business transactions in Single Entry? ³ What books are generally used? ⁴ What additional books are sometimes employed? ⁵ In Single Entry, why can you not show in detail your gains and losses? ⁶ How do you determine your Net Gain or Net Loss? ⁷ When will the results exhibit a Net Loss?

Page 85.—⁸ What is the first step preparatory to changing books from Single to Double Entry? ⁹ The second step? ¹⁰⁻¹¹ Why must the Present Worth be found before the Net Gain or Net Loss can be determined? ¹² What additional accounts is it necessary to open to change the Ledger to Double Entry? ¹³ What is the final step to place the Ledger in balance? ¹⁴ Why is the Ledger then in balance?

Miscellaneous.—From what sources do you get the information necessary to make out a statement of the Resources and Liabilities? Could you find your Net Gain or Net Loss if you did not know what you were worth at commencing? Could you find your present worth? If in making out the statement preparatory to changing to Double Entry, a resource should be omitted, how would it affect the Net Gain? What entry would be made in the Double Entry books to correct such an omission?

SPECIAL COLUMN JOURNAL.

¹ The Special Column Journal is a Journal provided with special or separate columns for those items which occur most frequently in the business.

² The advantage of using this form of Journal is in the saving of time and labor by not posting to the accounts the separate items which are carried to the special columns, ³ the footings only of these columns being posted daily, weekly or monthly, as desired.

⁴ All items for which no special columns are provided are placed in the General or Sundries column, and each item posted separately, as in the ordinary Journal form.

In the form illustrated on page 94 two special columns, Cash and Mdse., are used on each side of the Journal. ⁵ The number of special columns is not limited, however. ⁶ Any item which occurs with sufficient frequency, either upon the debit or credit side, to make it desirable, may have a special column provided for it. In many kinds of business it is desirable to provide a special column for Expense upon the debit side of the Journal.

⁷ The columns are to be footed at the bottom of each page, and proved before being carried forward to the next page. ⁸ The sum of the three columns upon the debit side of the Journal must equal the sum of the three upon the credit side.

⁹ In extending the amounts, particular care must be exercised, or errors will be made by extending amounts to the wrong columns. ¹⁰⁻¹¹ The Ledger would not balance if a special column item were by mistake placed in the Sundries column, or a Sundries column item in a special column, because in the first case the amount would be omitted, and in the second case it would be posted twice.

The transactions for the preceding month of January are used in illustrating this method.

The books to be used are the Special Column Journal, Bill Book and Ledger. The form of the Journal is illustrated on pages 94-98.

Perform the work from the memoranda, however, consulting the illustrations only when necessary.

The letters J., C. B. and B. B., together with the notes given in the memoranda, apply to the Single Entry work, and are not to be observed in working this set.

January 1, 188-

Mdsh.	Cash.	Sundries.	L.F.		L.F.	Cash.	Sundries.	L.F.	Mdsh.
				Commenced business this day, with the following Resources:					
				Wm. C. Cate,					
		2500		Store and Lot,					
		225		Copied,					
	500			Cash,					
				To Student			2225		
787 50				Indie.			787 50		
				Ch. Thompson,					
				Ansora,					84
				To Wds.					
				2 ch. J. Tea 70 lbs 70 49					
				2 " B. " 70 " 50 35					
				To Wds.					
				Sales pr. Cash Drav.					175 38

[illegible]

JANUARY 3, 188-

MDSE.	CASH.	SUNDRIES.	L.F.		L.F.	SUNDRIES.	CASH.	MDSE.
1079	690 38	3113 08				4619		263 46
		6 18	12	Jas. Jamieson, To Mdse. 27 Broadway.				6 18
				25 lbs. A Sugar, 10c.,	2.50			
				4 " J. Tea, 80c.,	3.20			
				2 " R. Coffee, 24c.,	.48			
				5.				
		5	15	Expense, To Cash. Clerk's Salary.			5	
				"				
	246 75			Cash, To Mdse. Sales per cash drawer.				246 75
				6.				
		2 01	11	Mrs. E. Smith, To Mdse. 10 lbs. B. Sugar, 10c.,	1			2 01
				44 " Mackerel, 12c.,	.51			
				2 Wood Pails, 25c.,	.50			
				"				
	8			Cash, To Wm. Johnson,	14	3		
				Jas. Jamieson,	12	5		
				Rec'd on account.				
				7.				
65 50				Mdse. To Bills Payable, Bo't of H. Gordon & Co., on note as per B. B., Invoice No. 4.	16	65 50		
				"				
		93	11	Mrs. E. Smith, To Mdse. 2 Wood Pails, 22c.,				93
				1 Broom,	.25			
				1 lb. R. Coffee,	.24			
				"				
	127 64			Cash, To Mdse. Sales per cash drawer.				127 64
				8.				
		25	18	Bills Receivable, To A. Thompson, Rec'd note on <i>a/c</i> , per B. B.	14	25		
				9				
		6 64	14	Wm. Johnson, To Mdse. 50 lbs. B. Sugar, 9½c.,	4.75			6 64
				1 Broom,	.25			
				5 lbs. R. Coffee, 24c.,	1.20			
				2 Wood Pails, 22c.,	.44			
				"				
		6 50	15	Expense, To Cash. Coal for office.			6 50	
				10.				
		100	10	Smith, P. & Co., To Cash, Paid on <i>a/c</i> .			100	
1144 50	1072 77	3265 34				4117 50	111 50	653 61

JANUARY 10, 188—.

MDSE.	CASH.	SUNDRIES.	L.F.		L.F.	SUNDRIES.	CASH.	MDSE.
1144 50 31 25	1072 77	3265 34				4717 50 31 25	111 50	653 61
				Mdse. To Geo. F. Doyle, Bo't on $\frac{1}{4}\%$, per Inv. No. 5.				
				"				
96				Mdse. To Wm. Johnson, 4 lbs. R. Coffee returned, 24c.		96		
				11.				
		75 50		A. Thompson, To Mdse.				100 50
	25			Cash,				
				10 bbls. Salt, 1.40,	11.			
				2 ch. J. Tea, 70 lbs., 70c.,	49.			
				3 bbls. B. Sugar, 375 lbs.,				
				10c.,	37.50			
				Rec'd cash,	25.			
				Balance on $\frac{1}{4}\%$,	75.50			
				12.				
		10		Expense, To Cash,			10	
				"				
	1 50			Cash, To Mrs. E. Smith,		1 50		
				Rec'd on $\frac{1}{4}\%$.				
				13				
		150		Smith, P. & Co., To Cash,			30	
				Bills Payable,		100		
				Paid on $\frac{1}{4}\%$, cash,	50.			
				Note per B. B.,	100.			
				"				
		3 80		Wm. Johnson, To Mdse.				3 80
				10 lbs. A Sugar, 10c.,	1.			
				2 " J. Tea, 85c.,	1.70			
				5 " R. Coffee, 22c.,	1.10			
				14.				
31 25				Mdse. To Geo. F. Doyle,		31 25		
				Bo't on $\frac{1}{4}\%$, per Inv. No. 6.				
				"				
	25			Cash, To Bills Receivable,		25		
				Rec'd of A. Thompson, for his note due to-day per B. B.				
				"				
	358 40			Cash, To Mdse.				358 40
				Sales per cash drawer.				
				15.				
		25		Geo. F. Doyle, To Cash,			25	
				Paid his sight draft.				
				"				
		25		Expense, To Cash,			25	
				Paid Book-keeper's salary.				
1207 96	1482 67	3554 64				4907 46	221 50	1116 31

JANUARY 15, 188-.

MDSE.	CASH.	SUNDRIES.	L.F.		L.F.	SUNDRIES.	CASH.	MDSE.
1207 96	1482 67	3554 64 119 50		Bills Receivable, To A. Thompson, Rec'd his note per B. B. to bal- ance <i>q/c</i> .		4907 46 119 50	221 50	1116 31
		3 75		Jas. Jamieson, To Mdse. 10 lbs. B. Sugar, 9½c., .95 2 " J. Tea, 80c., 1.60 5 " R. Coffe, 24c., 1.20				3 75
		300		16. Bills Payable, To Cash, Paid note favor Smith, P. & Co.			300	
1207 96	1482 67	3977 89 1482 67 1207 96	15 16	Cash, Mdse.	15 16	5026 96 521 50 1120 06	521 50	1120 06
		6668 52				6668 52		

¹² You may now balance the Journal as illustrated above, and post the foregoing transaetions.
¹³ Post the *totals only* of Cash and Mdse., as shown by the footings of those columns, the footings on the left side to the debit and the footings on the right side to the credit of those accounts. (*See Cash account below.*) All items in the Sundries columns are to be posted separately, as in the ordinary Journal form. You may use the Ledger Folio (Ledger page) instead of √ to check the posting in this set. See L. F. column, page 96. The items in the Sundries columns only, require checking.

CASH.

188- Jan.	16	Sundries,	3	1482 67	188- Jan.	16	Sundries,	3	521 50
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After you have finished posting, take a Trial Balance, and then continue the same form of Journal through January. At the end of January balance your Journal, as illustrated above, post, make out a Balance Sheet and close the Ledger. Your results should agree with those given at the bottom of page 88, except the Net Gain, which should be 394.08.

Present your books, with a proof of the balances, to the teacher for inspection.

QUESTIONS FOR REVIEW.

Page 93.—¹ Describe the Special Column Journal. ² What is the advantage of its use? ³ How is this advantage secured? ⁴ What disposition is made of items for which no special columns are provided? ⁵ Is the number of special columns limited? ⁶ Upon what does the opening of a special column for any particular item depend? ⁷ How frequently are the items to be footed and proved? ⁸ How are they to be proved? ⁹ What error is to be particularly guarded against? ¹⁰ What would be the effect upon the Ledger if a special column item were extended to the Sundries column? Why? ¹¹ If a Sundries column item were extended to a special column? Why?

Page 98.—¹² How is the Journal balanced? ¹³ How is the posting done?

METHOD OF BOOK-KEEPING

ADAPTED TO THE REQUIREMENTS OF THE

EXECUTOR OF A WILL.

The following set is designed to illustrate the closing up of the estate of a person deceased by the Executor of the Will. The Student is supposed to be the Executor, and will act as the personal representative of the deceased. He will take possession of all property of whatever character, and, after discharging all liabilities, will divide the remainder of the estate among the legal representatives of the deceased, in accordance with the the terms of the Will.

The books to be used are the Journal and Ledger.

April 1, 188

Having been appointed Executor of the will of the late John H. Barnes, I have this day made a schedule of the real and personal property of the deceased, assisted by Cornelius Britton and Byron Rogers, as appraisers, viz;

Real Estate	Homestead of .25 acres	12450
	estimated at 90	11250
	50 acres land in Mich	151200
Live Stock	100 Sheep	250
	4 Work Horses	400
	2 Yearling Cattle	80
	6 Cows	180
	5 Hogs	30
	Poultry valued at	25
Improvements and Fixtures	Harnesses	00
	Machinery and Utensils	450
	Carriage	100
	Household Furniture	600
John H. Barnes Rec	Against D. Barnes dated Jan. 6	7489
Interest	Accrued on above, to date	94
W. H. Bonds	12, 6% Bonds, 500 each, at par	6000
Interest	Accrued on above, to date	90
Bills Rec	W. S. Morris; 90 ds from Mar.	1500
Interest	Accrued on above to date	775
Bills Rec	Art. B. Crocker, 90 ds from Feb.	225
Interest	Accrued on above, to date	150
John H. Barnes	Cash on acct	40
W. Barnes	" " "	2350
Cash	On hand	125
C. S. Barnes	Cash on acct	450
Interest	On above, from Jan at 5%	1220
Total	Total resources	237450

APRIL, 188—.

1. You (Student) have been appointed Executor of the Will of the late John H. Warner. The Will provides that the widow of deceased, Eliza St. Clair Warner, shall have one-third of all property belonging to the estate, and that the children, viz: John W., Mrs. Mary Warner Roberts, William H., Jennie E. and George S., shall each receive one-fifth of the remainder of such property.

A schedule of the real and personal estate of the deceased, made by yourself, assisted by Cornelius Crittenden and Byron Rogers, as appraisers, exhibits as follows (*see entry on page 100*):

125 acres of land, including buildings, constituting the Homestead, @ 90.00 per acre; 80 acres of land in Michigan, @ 15.00; 100 Sheep, @ 2.50; 4 Work Horses, 100.00 each; 2 Yearling Colts, 40.00 each; 6 Cows, 30.00 each; 5 Hogs, 6.00 each; Poultry, estimated at 25.00; Harness, estimated at 100.00; Machinery and Utensils, estimated at 450.00; Carriage, estimated at 100.00; Household Furniture, estimated at 600.00; Judgment against D. Gray, dated Jan. 16th last, 74.89; Interest accrued 75 days on above; 12 Water Works 6 % Bonds, 500.00 each at par; Interest accrued on same from Jan. 1 last, 3 months; Note of W. S. Dunn, at 90 days from March 1 last, with interest, 1500.00; Interest accrued 31 days on above note; Note of A. B. Enoch, at 90 days from Feb. 20 last, with interest, 225.00; Interest accrued 40 days on above note; John Lynch owes on $\frac{1}{2}\%$, 40.00; William Burke owes on $\frac{1}{2}\%$, 23.50; Cash on hand, 125.00; On deposit in Citizens' Savings Bank, 980.00; Interest accrued on above deposit from Jan. 1 last, 3 months, at 5 % per annum.

2. You have ascertained that deceased was indebted to the following persons in the sums named: James Bryant, on account of Blacksmithing, 43.50; A. B. Enoch, Store account, 79.80; Patrick Maloy, on account of Ditching, 16.25.
3. Deposit in Germania Bank, cash, 125.00.

4. Sell this day, at auction, the following personal property: 100 Sheep, @ 2.85 per head, to John Martin, on his note at 3 mos. with interest, endorsed by Byron Devins, payable at Germania Bank; 2 Work Horses, 94.00 and 140.00, to Wm. Gray, on his note at 3 mos. with interest, endorsed by John H. Bly, payable at Germania Bank; 2 Work Horses, 102.50 and 110.00, to Jerome B. Stevenson for cash; 2 Yearling Colts, 34.00 and 48.00, to William Fenner, on his note at 3 mos. with interest, endorsed by Calvin Davis, payable at Germania Bank; 2 Cows, 28.50 and 31.00, to Ira McCall for cash; 4 Cows, 34.00, 33.00, 29.75 and 41.00, to William Chappell, on his note at 3 mos. with interest, endorsed by Thos. Eddy, payable at Germania Bank; 5 Hogs, @ 4.50 each, to Samuel N. Messner for cash; Poultry, to Anson H. Wells for cash, 24.00.

Harness, to Patrick Murphy, on his note at 3 mos. with interest, endorsed by M. B. Flynn, payable at Germania Bank, for 88.00; Carriage, to Owen Storrs for cash, 98.00; Farming Utensils, bought by John W. Warner and charged to his account, 415.00; Household Furniture, bought by the widow of deceased and charged to her account, 588.50.

5. Deposit in Germania Bank, cash, 416.50.
6. Pay Jas. Bryant and P. Maloy in full of account, by check on Germania Bank.
9. A. B. Enoch pays his note and interest to date in cash, after deducting the amount due him on $\frac{1}{2}\%$.
10. Pay Probate Judge's fee, 50.00, and Auctioneer's bill, 15.00, by check on Germania Bank. Patrick Murphy offers to pay his note at its face, which offer you accept.
16. Sell the Water Works Bonds to D. W. Powers for cash at par, with accrued interest added. Deposit in Germania Bank, cash, 6340.00.
17. Collect amounts due from John Lynch and Wm. Burke, in cash.
18. Wm. H. Warner desiring to purchase the 80 acres of Michigan land at the appraised valuation, it has been deeded to him and charged to his account.
19. Have the following interest bearing notes discounted at Germania Bank, at 8 % discount, and have the proceeds credited: John Martin's note, 285.00; Wm. Gray's note, 234.00; Wm. Fenner's note, 82.00; Wm. Chappell's note, 137.75.

NOTE.—Get the interest on the face of the notes from their date to maturity at 6 per cent., and then discount the amount at 8 per cent. for the time the notes have yet to run, 2 mo. 18 days.

20. Mrs. Mary Warner Roberts takes the note of Wm. S. Dunn at its face, with accrued interest, to apply upon her share in the estate.
Draw amount on deposit in Citizens' Savings Bank, and deposit it, together with the accrued interest, in Germania Bank.

21. Pay Jennie E. Warner cash, 50.00.
23. John W. Warner has determined to purchase the homestead farm at the appraised valuation. You will charge it to his account. Papers are to be executed on the 29th inst.
26. Messrs. Rowley & Johnston, attorneys, have returned the amount collected on the judgment against D. Gray, 74.89, and interest to date, less their charge for collection, 10.00, and Sheriff's fees, 5.75. Receive balance in cash.
27. Deposit in Germania Bank, cash, 73.89.

NOTE.—You may now post and take a Trial Balance (not Balance Sheet), after which close the accounts showing losses and gains directly into the Warner Estate account.

28. Appropriate, by check on Germania Bank, your fee as Executor of the Will, as provided by law, viz: 5 % on the first 1000.00, 2½ % on the next 9000.00, and 1 % on the balance of the net credit to the estate, 23,798.98, not counting the liabilities or expenses. (*Debit Warner Estate for the fees.*)

NOTE.—Post the above entry and each entry hereafter as soon as it is journalized.

Having ascertained the present worth of the estate, as shown by the difference in the Warner Estate account, debit the Estate and credit Mrs. Eliza S. Warner her one-third, 7721.89, and the children, John W. Warner, Mrs. Mary Warner Roberts, Wm. H. Warner, Jennie E. Warner and Geo. S. Warner, each one-fifth of the remainder, as provided by the Will.

29. John W. Warner has this day executed a mortgage on the homestead farm for the balance due Mrs. Eliza S. Warner from the estate.

John W. Warner has executed a second mortgage on the homestead to Jennie E. Warner, for the balance due from him to the estate.

30. Give Mrs. Roberts, Wm. H. Warner, Jennie E. Warner and George S. Warner checks on Germania Bank, for amounts due them.

NOTE.—All of the accounts in your Ledger should now balance.

QUESTIONS FOR REVIEW.

What does the foregoing set illustrate? How is an Executor appointed? What are his duties? How are his fees computed? How is the amount found upon which they are computed? Why will every account balance at the close?

PETTY LEDGER.

The following set is designed to illustrate a method of book-keeping by which all *transient* accounts may be kept without opening them in the principal Ledger.

² An auxiliary Ledger, called the Petty Ledger, is employed, in which all accounts are opened that are not likely to be permanent, active accounts; and in the principal or main Ledger an account called Petty Accounts is opened, to represent these transient accounts and to keep the main Ledger in balance.

³ This method saves space in, and facilitates taking a trial balance of, the main Ledger.

The books to be used are the Journal, Cash Book, Bill Book, Petty Ledger and Main Ledger.

May 1, 188-

					Mdse	Sales
Commenced the Book and Stationery business, with the following Resources;						
Cash	On hand	1000				
Expense	Furniture and Fixtures	200				
E. W. Hoag	Cash on acct	350				
To Student	Investment as above			550		
	2					
Mdse	Robt on account, per Invoice	648 50				
To Fletcher & Co	Do. on file			648 50		
	"					
R. C. Sidway	2 doz Robt. Arithmetick 10 20	33 50				
To Mdse	1/2 " R Grammar 9 50				33 50	
	3					
Petty Accts	Sold G. H. Gutman on	8 40				
To Mdse	acct, per P. L.				8 40	
	4					
Cash	To apply on account	100				
To E. W. Hoag						
	5					
Bills Recd	Sold Brown per B. B.	45				
To Mdse	2. H. S. Dictionary 22				45	
	"					
Cash	Recd of G. H. Gutman, on	5				
To P. A.	account			5		
	6					
Cash	Sales per Cash Drawer	28 12				
To Mdse					28 12	
	7					
Fletcher & Co	Gave them note to apply	175				
To Bills Pay	on acct per B. B.			175		
	"					
P. A.	Sold Marsh & Grant, on	24 75				
To Mdse	acct, per P. L.				24 75	
					139 77	

MAY, 188—.

NOTE.—⁴The form of Journal illustrated on page 104, you will observe, is provided with an additional column, in which the sales of Mdse. only are to be entered, the object being to facilitate posting. The footings of this column are to be carried forward from page to page until the end of the month, and the total then posted to the credit of Mdse. account. Rule the additional column in your Journal, if it is lacking.

1. Commence the Book and Stationery business with the following Resources: Cash on hand, 1000.00; Furniture and Fixtures, valued at 200.00; E. W. Hoag, City (*M. L.*), owes on *acc.*, 350.00. (*J. and C. B.*)

NOTE.—Accounts which are to be opened in the Petty Ledger will be indicated in the memoranda by the letters *P. L.*, and those to be opened in the Main Ledger by the letters *M. L.*

2. Receive from Fletcher & Co., New York (*M. L.*), a bill of Mdse. bought on *acc.*, as per Invoice No. 1, 648.80. (*J.*)
Sell R. C. Sidway, Lakeville (*M. L.*), 2 doz. Robinson Arithmetic, @ 10.00 doz.; 1½ doz. Kerl's Grammar, @ 9.00. (*J.*)
3. Sell G. W. Getman, City (*P. L.*), 6 R. Arithmetic, @ 90c.; 3 Civil Government, @ 1.00. (*J. and P. L.*)

NOTE.—Open an account with Getman in the Petty Ledger before making the journal entry. See form on page 106. As a matter of convenience the items are entered in the Petty Ledger and omitted from the Journal.

4. Receive cash of E. W. Hoag on *acc.*, 100.00. (*J. and C. B.*)
5. Sell R. D. Brown, on his note at 10 days, 20 High School Dictionary, @ 2.25. (*J. and B. B.*)
Receive cash of G. W. Getman, to apply on *acc.*, 5.00. (*J., C. B. and P. L.*)
6. Cash sales, as per Cash Drawer, 28.12. (*J. and C. B.*)
7. Give Fletcher & Co. your note at 15 days, to apply on *acc.*, 175.00. (*J. and B. B.*)
Sell Marsh & Grant, Fairport (*P. L.*), 10 R. Arithmetic, @ 90c.; 10 K. Grammar, @ 75c.; 3 Knight's Commercial Law, @ 2.75.

NOTE.—Make the entry first in the *P. L.* Give each account in the Petty Ledger one-fourth of a page space.

9. Receive of Barnes & Co., Boston (*M. L.*), a bill of Mdse. bought on *acc.*, as per Invoice No. 2, 526.25.
10. Sell Atkinson & Boyd, Eastport (*M. L.*), 10 reams Foolscap, @ 2.25; 25 M. Buff Envelopes, @ 1.60.
Receive cash of R. C. Sidway on *acc.*, 15.00.
11. Open an account at City Bank and deposit cash, 500.00.
12. Give Fletcher & Co. your check on City Bank, to apply on *acc.*, 350.00.
13. Cash sales of Mdse., as per Cash Drawer, 36.04.
15. Give Barnes & Co. your check on City Bank, to apply on *acc.*, 100.00.
17. Receive cash of Marsh & Grant, to apply on *acc.*, 10.00. (*J., C. B. and P. L.*)
Sell R. C. Sidway, 15 Civ. Gov., @ 1.00; 10 H. S. Dictionary, @ 2.25; 25 gro. D. Pencils, @ 1.75.
18. Receive cash for a note due to-day.
20. Accept Fletcher & Co.'s draft on you at 10 days, to apply on *acc.*, 50.00.
21. Sell L. Ayrault, Nunda (*P. L.*), 20 reams Foolscap, @ 2.25; 25 M. White Envelopes, @ 1.75.
22. Buy for cash a draft of 200.00 on Ninth National Bank, Boston, at ¼¢ exchange. Remit the draft to Barnes & Co., to apply on *acc.*
23. Receive of Atkinson & Boyd, to apply on *acc.*, their draft at 1 day's sight on Marcens Greenfield, which Greenfield has accepted, 35.00.
24. Sell L. & G. Freeman, City (*P. L.*), 25 M. B. Envelopes, @ 1.60; 10 reams Foolscap, @ 2.25.
25. Pay your note due to-day in cash.
26. Draw a draft at sight on L. Ayrault, Nunda, to apply on *acc.*, 50.00, and deposit the draft in City Bank to your credit, less cost of collection, 25c. (*J. and P. L.*)
Buy of Walker, Clinch & Co., City (*M. L.*), Mdse. as per Invoice No. 3, 462.38. Give them your check on City Bank, 62.38. Balance on *acc.*
27. Receive cash for an acceptance due to-day.
28. Sell Atkinson & Boyd, 10 K. Commercial Law, @ 2.75; 20 R. Arithmetic, @ 90c.; 15 H. S. Dictionary, @ 2.25. Receive in payment, their note at 15 days, 50.00. Balance on *acc.*
29. Receive cash of Marsh & Grant, to balance *acc.*
30. Deposit in City Bank, cash, 300.00.
Sell J. J. Sidway, Canton (*P. L.*), 40 gro. Steel Pens, @ 1.45; 25 gro. D. Pencils, @ 1.75.
31. Credit D. W. Clark, Book-keeper (*P. L.*), his salary for the month, 50.00.

FORM OF PETTY LEDGER ACCOUNTS.

G. W. GETMAN, City.

188-	May	3	6 Rob. Arith.,	90c.	5	40	188-	May	5	Cash,	5
			3 Civ. Gov't,	1.00	3	40					
					8	40					

MARSH & GRANT, Fairport.

188-	May	7	10 Rob. Arith.,	90c.	9		188-	May	17	Cash,	10
			10 K. Grammar,	75c.	7	50			29	"	14
			3 K. Com'l Law,	2.75	8	25					75
					24	75					24
											75

L. AYRAULT, Nunda.

188-	May	21	20 rms. Foolscap,	2.25	45		188-	May	27	Draft,	50
			25 M. W. Env.,	1.75	43	75					
					88	75					

L. & G. FREEMAN, City.

188-	May	24	20 M. B. Env.,	1.60	40						
			10 rms. Foolscap,	2.25	22	50					
					62	50					

INVENTORIES, MAY 31, 188-.

MERCHANDISE.—Per Inventory Book,	1203	88
EXPENSE.—Furniture and Fixtures,	200	00

You may now balance the Cash Book and post the month's business, giving each account one-fourth of a page space, except Petty Accounts, which will require one-half of a page. Post the *footing only* of the Mdse. Sales column to the credit of Merchandise account, and the footings of the Cash Book to the Cash account, as heretofore instructed, omitting to post the credit items of Mdse. and the Cash items in posting from the Journal.

After you have completed the posting, prove first the Petty Ledger, as explained and illustrated below.

The Petty Ledger does not balance, but may be proved as follows: ⁵ Find the difference between the sides of the Petty Ledger, and compare it with the difference between the sides of the account with Petty Accounts, in the Main Ledger; the two differences should agree.

⁶ The reason of this is obvious, since for every entry made in the Petty Ledger a corresponding amount was entered to the same side of the account with Petty Accounts in the Main Ledger.

PETTY LEDGER, MAY 31, 188-.

1	G. W. Getman,	-	-	-	-	-	-	-	8	40	5
1	L. Ayrault,	-	-	-	-	-	-	-	88	75	50
1	L. & G. Freeman,	-	-	-	-	-	-	-	62	50	
1	J. J. Sidway,	-	-	-	-	-	-	-	101	75	
2	D. W. Clark,	-	-	-	-	-	-	-			50
									261	40	105

PROOF.

Petty Accounts, Dr.	286	15	Petty Ledger, Dr.	261	40
" " Cr.	129	75	" " Cr.	105	00
Balance,	156	40	Balance,	156	40

After proving the Petty Ledger, make out a Balance Sheet from the Main Ledger, and close the accounts showing losses and gains, preparatory to taking a partner June 1st. The results shown by your Balance Sheet should be as follows:

SUMMARY, MAY 31, 188—.

Total Resources,	2467 56	Total Gains,	218 26
“ Liabilities,	750 05	“ Losses,	50 75
Present Worth,	1717 51	Net Gain,	167 51

JUNE, 188—.

1. Admit F. E. Craigie as a partner, with a cash investment equal to your present worth.
2. Sell Baker Bro's, Ridgeway (*P. L.*) 5 Rob. Arithmetic, @ 90c.; 10 K. Grammar, @ 75c.; 5 reams Foolscap, @ 2.25.
Deposit in City Bank, cash, 1500.00.
Pay your acceptance due to-day in cash.
3. Receive R. C. Sidway's check on Farmers' Bank, Lakeville, to balance his $\frac{1}{2}\%$.
4. Sell W. & E. Palmer, Havana (*P. L.*), 25 M. White Envelopes, @ 1.75; 25 Civ. Government, @ 1.00; 20 gro. D. Pencils, @ 1.75.
Deposit Sidway's check rec'd 3d inst. in City Bank, less collection, 25c.
5. Receive cash of L. & G. Freeman in full of $\frac{1}{2}\%$.
6. Pay D. W. Clark, Book-keeper, cash to apply on last month's salary, 25.00.
NOTE.—Debit Petty Accounts instead of Expense. See entry May 31.
7. Sell G. W. Getman, 20 M. Buff Envelopes, @ 1.60; 15 H. S. Dictionary, @ 2.25; 10 Com. Law, @ 2.75.
8. Receive from Fletcher & Co., New York, a bill of Mdse. bought on $\frac{1}{2}\%$ per Inv. No. 4, 268.60.
9. Cash sales, per Cash Drawer, 52.94.
10. The draft drawn on L. Ayrault, May 26, has been returned unpaid. Protest fees, 1.25. Give City Bank your check to take up the draft, 51.25.
NOTE.—Charge the fees to Ayrault, it having been agreed that you should draw upon him at that time.
11. Receive cash of E. W. Hoag on $\frac{1}{2}\%$, 150.00.
Give Walker, Clinch & Co., your note at 10 days, payable at City Bank, to apply on $\frac{1}{2}\%$, 200.00.
13. Sell R. C. Sidway, 500 gro. Crayon, @ 11c.; 50 reams Letter Paper, @ 2.10.
Deposit cash in City Bank, 250.00.
14. Receive cash of G. W. Getman on $\frac{1}{2}\%$, 25.00.
Sell R. W. Howard, Bluff Point (*P. L.*), 10 Com. Law, @ 2.75; 15 M. Buff Envelopes, @ 1.60; 12 K. Grammar, @ 75c.
15. Receive cash for a note due to-day.
Cash sales, per Cash Drawer, 21.50.
16. Sell G. W. Getman, 10 reams Letter Paper, @ 2.10; 200 gro. Crayon, @ 11c.
Buy of Walker, Clinch & Co., Mdse. per Invoice No. 5, 689.32. Give them in payment, check on City Bank, 289.32; your note at 60 days for balance, payable at City Bank.
17. Receive from Baker Bro's, a Postal Money Order, to apply on $\frac{1}{2}\%$, 10.00.
18. Buy at City Bank, by check, a draft on the Ninth National Bank of Boston, 226.25, at $\frac{1}{4}\%$ exchange, and remit the draft to Barnes & Co., to balance $\frac{1}{2}\%$.
19. Transfer G. W. Getman's account to the Main Ledger, it having proved to be a permanent and active account.
NOTE.—Close the account in the *P. L.* Say, on the credit side, Bal. to M. L. Then make an entry in the Journal: G. W. Getman, To Petty Accounts.
20. Receive of Atkinson & Boyd, their note at 45 days, to balance $\frac{1}{2}\%$, 56.75.
Buy of Stein & Co., City (*P. L.*), one Show Case for Store, 35.00.
21. Receive from W. & E. Palmer, to apply on $\frac{1}{2}\%$, their sight draft for 50.00 on Farley & Ferguson, which F. & E. pay by their check on Commercial Bank.
Sell Findley & Morris, Groveland (*P. L.*), 5 gro. Steel Pens, @ 1.45; 10 R. Arithmetic, @ 90c.
22. Student draws cash for private use, 50.00.

22. Sell Atkinson & Boyd, 25 K. Com. Law. @ 2.75.
23. Receive cash of L. Ayrault to balance $\%$, 90.00.
24. Your note due to-day at City Bank has been charged to your account.
D. W. Clark draws balance of last month's salary in cash, 25.00.
Receive from Barnes & Co., a bill of Mdse bought on $\%$, per Invoice No. 6, 822.48.
25. Sell Alfred Carter, Newport (*P. L.*), 20 reams Letter Paper, @ 2.10; 25 M. White Envelopes, @ 1.75. Receive in payment, cash, 45.00. Balance on $\%$.
26. Receive cash of J. J. Sidway on $\%$, 58.00.
27. Sell Frank Siddons, City (*P. L.*), 1 Com. Law, 3.00; 1 R. Arithmetic, 1.00.
28. Pay Fletcher & Co.'s sight draft on you by check on City Bank, 73.80.
29. Sell G. W. Getman (*M. L.*), 25 Civ. Government, @ 1.00; 10 Com. Law, @ 2.75.
30. E. E. Craigie draws for private use, by check on City Bank, 50.00.
Give D. W. Clark credit for his month's salary, 50.00.

INVENTORIES, JUNE 30, 188-.

MERCHANDISE.—Per Inventory Book,	2452 38
EXPENSE.—Furniture and Fixtures,	235 00

Close your Cash Book and post the month's business. Remember that the footings only of the Cash Book and of the Mdse. Sales column need be posted. After you have completed the posting, prove the Petty Ledger, as instructed for last month. The accounts in the Petty Ledger need not be closed. Make out a Balance Sheet and close the accounts in the Main Ledger.

Net Gain for the month,	202 72
Balance of Petty Accounts,	147 25

* Another method of keeping transient accounts is to open in the Main Ledger an account called "Miscellaneous Accounts," or some other appropriate title, under which all accounts not likely to be permanent, active accounts may be placed, instead of keeping them in a Petty Ledger, as illustrated below.

MISCELLANEOUS ACCOUNTS.

188- May	3	G. W. Getman,	8	40	188- May	5	Cash, 5.		
	7	Marsh & Grant,	24	75	"	17	Cash, 10; May 29, 14.75	24	75
	21	L. Ayrault,	88	75	"	27	Draft, 50; Bal. 38.75	88	75
	24	L. & G. Freeman,	62	50					
	27	L. Ayrault, Bal.	38	75					
	30	J. J. Sidway,	101	75	June	26	Cash,	58	

* You will observe by the above form that the space occupied by each account is one line only.

¹⁰ When an account is settled, the credit is entered on the line directly opposite the debit, thus showing the account balanced. ¹¹ When an account is not paid in full at one payment, the account may be closed and the balance unpaid transferred to a new line, or the payments may be short extended, as shown above. It is sometimes desirable to keep "Misc. Accounts Receivable" and "Misc. Accounts Payable."

Hand to the teacher, on a slip of paper, a proof of the balances brought down in closing the Ledger; also present your books for inspection.

QUESTIONS FOR REVIEW.

Page 103.—¹ What does the Petty Ledger set illustrate? ² Describe the method. ³ What are the advantages to be derived from its use?

Page 105.—⁴ What advantage is derived in this set from using an additional column for Mdse. sales?

Page 106.—⁵ How is the Petty Ledger proved? ⁶ Explain the reason for it.

Page 107.—⁷ What entry is made to transfer an account from the Petty Ledger to the Main Ledger?

Page 108.—⁸ What other form may be used for keeping transient accounts to save space in the Main Ledger? ⁹ By this form, how much space does each transient account occupy? ¹⁰ When an account is settled, where is the credit entry made? ¹¹ If an account is not paid in full at one payment, how is the entry made?

CASH METHOD.

¹The method illustrated in the following set combines the Day Book, Journal and Cash Book in one book, called the Cash Journal, or simply Journal, in which book all entries are to be made, whether cash forms any part of the transaction or not.

²This form of book-keeping is best adapted to a business in which the transactions are mainly for cash.

³The principal advantages of the method are, that it employs a less number of books, and saves time and labor in posting cash.

RULES FOR CASH METHOD.

Decide what the journal entry would be for the transaction in the ordinary form, then:

First.—⁴If Cash be the only debit, enter all of the credit items on the left side, which debits Cash.

Second.—⁵If Cash be the only credit, enter all of the debit items on the right side, which credits Cash.

Third.—⁶If the entry consists of several debits and credits, one of which is Cash, *leaving out the Cash*, enter all the debits on the right side, which credits Cash, and enter all the credits on the left side, which debits Cash. The difference will show the cash received or paid out.

Fourth.—⁷If no Cash is involved in the transaction, enter the credits on the left side and the debits on the right side. The footings of the two sides will thus be increased equally, and the balance of cash will remain unchanged.

The books to be used in this set are the Cash Journal and Ledger.

Monday

Cash	To Sundries			
Student	Cash invested	20000		
E. A. Hooten	"	35000		
J. C. Sargent	Cash deposited	2500		
J. W. Gardner		3000		
Discount	On R. W. Smith's note deducted for C. Y. Seal		700	55009 60
				25004 60

Tuesday

Balance				26707 10
Bo. of Commree	Sold draft to Reynolds	2500		
Exchange	At 1/4% on above draft	5		
Merchants Br	Check for P. S. stock	6250		
J. W. Gardner	Cash deposited	600		
Discount	On B. & M. Co. draft	575		
H. E. Sanner	Balance due on C. Y. acct	994 25		
Bills Pay	Capital draft on Hooten	500		
N. Y. C. Stock	Sold 20 shares at .50	2600	12955	
				27662 10

Wednesday

Balance				30555 65
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MONDAY, JULY 5, 188—.

Student and E. A. Wooden form a copartnership to engage in business as private Bankers and Brokers, in accordance with copartnership articles executed this day. The gains and losses are to be shared in proportion to the investment.

Student invests cash, 20,000.

Make the entry on the *left* side of the Journal, which credits Student and debits Cash. See form on page 110.

E. A. Wooden invests cash, 30,000. (*Same as previous entry.*)

Remit by express, to Bank of Commerce, New York, for your credit, cash, 15,000.

Make the entry on the *right* side of the Journal, which debits Bank of Commerce and credits Cash.

Receive cash of H. E. Sankey on deposit, 2000.

Make the entry on the *left* side, which credits Sankey and debits Cash.

Remit by express, to Merchants' Bank, Boston, for your credit, cash, 10,000.

Entry on *right* side of Journal.

Pay H. E. Sankey's check on you in cash, 500.

Entry on *right* side, which debits Sankey and Credits Cash.

Receive cash of J. W. Gardner on deposit, 3000.00.

Discount for C. G. Teall a note made by R. N. Smith, 2500.00. Discount, 9.60. Pay him the proceeds in cash, 2490.40.

Enter Bills Receivable, 2500, on the *right* side of the Journal, which debits Bills Receivable and credits Cash 2500. Then enter Discount, 9.60, on the *left* side, which credits Discount and debits Cash 9.60. Cash having been thus credited 2500 and debited 9.60, the *net credit* to Cash is 2490.40, as shown by the difference, the actual amount of cash paid out.

Pay J. W. Gardner's check on you in cash, 300.00.

Pay express charges on remittances to New York and Boston in cash, 2.50.

The Journal is now to be balanced for the day, as shown on pages 110–111. * It will be apparent that the footings of the Journal cannot exhibit the actual amount of cash received and disbursed, since in many of the entries a part only is cash, and in others no cash whatever is involved.

⁹ The footing of the left side of the Journal represents the total credits of the business, except the credit of cash; ¹⁰ the footing of the right side the total debits of the business, except the debit of cash; ¹¹ the difference between these footings must therefore exhibit the excess of cash received or paid out during the day. ¹² The balance for the previous day being added to the footing of the left side of the Journal, the difference between the sides will then show the cash on hand.

After balancing the Journal, post the day's business. Give each account one-fourth of a page space. ¹³ In posting, credit all of the items upon the *left* side, and debit cash with the total of these items. The debit and credit sides of the Ledger are thus kept equal. Debit all of the items upon the *right* side, and credit Cash with the total of these items. Here again equal debits and credits are posted to the Ledger.

You may omit the explanations from the Ledger in posting this set. The work of Monday and Tuesday is posted in full below.

STUDENT.

					188— July	5			110	20000
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E. A. WOODEN.

188— July	6		111	500	188— July	5		110	30000
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H. E. SANKEY

188— July	5		111	500	188— July	5		110	2000
	6		111	356		6		110	994
				45					25

J. W. GARDNER.

188- July	5		111	300		188- July	5 6		110	3000	
									110	600	

DISCOUNT.

						188- July	5 6		110	9 60	
									110	5 75	

CASH.

188- July	5 6		110	55009 60		188- July	5 6		111	28302 50	
			110	12955					111	9106 45	

BANK OF COMMERCE.

188- July	5		111	15000		188- July	6		110	2000	
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MERCHANTS' BANK.

188- July	5		111	10000		188- July	6		110	6250	
--------------	---	--	-----	-------	--	--------------	---	--	-----	------	--

BILLS RECEIVABLE.

188- July	5 6		111	2500							
			111	2000							

EXPENSE.

188- July	5		111	2 50							
--------------	---	--	-----	------	--	--	--	--	--	--	--

EXCHANGE.

						188- July	6		110	5	
--	--	--	--	--	--	--------------	---	--	-----	---	--

BILLS PAYABLE.

						188- July	6		110	500	
--	--	--	--	--	--	--------------	---	--	-----	-----	--

N. Y. C. & H. R. R. R. STOCK.

188- July	6		111	6250		188- July	6		110	2600	
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TUESDAY, JULY 6, 188—.

Pay H. E. Sankey's check in cash, 356.45.

Sell M. F. Reynolds your sight draft on Bank of Commerce, 2000, at $\frac{1}{4}\%$ exchange, 5.00. Receive cash, 2005.00.

Credit Bank of Commerce and Exchange on the left side of the Journal, which debits Cash.

Buy of Cook & Co., 50 shares N. Y. C. & H. R. R. R. Stock, @ 125.00 per share. Pay for same by check on Merchants' Bank.

Debit N. Y. C. & H. R. R. R. Stock on the right side of the Journal, which credits Cash. Credit Merchants' Bank on the left side, which debits Cash. The amount of 6250 having thus been entered on each side of the Journal, the balance of Cash remains unchanged by this entry.

Receive cash of J. W. Gardner on deposit, 600.00.

Discount, for H. E. Sankey, Benj. W. Craig's acceptance, 2000.00. Discount off, 5.75. Pay him cash, 1000.00, and place the balance to his credit. (*See Rule Third, on page 109.*)

Accept H. Sibley's draft on E. A. Wooden, for private $\frac{1}{2}\%$, 500.00. (*See Rule Fourth, page 109.*)

Sell 20 shares N. Y. C. & H. R. R. R. Stock, @ 130.00 per share, and receive cash.

You may now balance the Journal and post the day's work, as instructed for yesterday. ¹⁴ You will observe that the cash on hand for Monday is carried to the second column of the Journal in bringing the balance down on Tuesday, ¹⁵ so as to avoid including it in the footing of the items of Tuesday's business; otherwise Cash account would be again debited for the net receipts of the previous day.

WEDNESDAY, JULY 7, 188—.

Remit cash to Bank of Commerce, New York, by express, 10,000. (*Rule Second, page 109.*)

Receive cash of H. E. Sankey, on deposit, 375.00. (*Rule First, page 109.*)

Pay J. W. Gardner's check in cash, 76.25. (*Rule Second, page 109.*)

Sell 10 shares N. Y. C. & H. R. R. R. Stock for cash, @ 136.00. (*Rule First, page 109.*)

Discount, for Rob't C. Foy, Wells Bro's note, 800.00. Discount off, 3.27. Pay proceeds in cash, 196.73. (*Rule Third, page 109.*)

Buy for cash, 25 shares Park Bank Stock, @ 145.00. (*Rule Second, page 109.*)

Receive cash of H. C. Griffiths, on deposit, 1500.00.

Sell Geo. Archer your sight draft on Bank of Commerce, 1000.00. Exchange $\frac{1}{4}\%$, 2.50. Receive cash, 1002.50. (*Rule First, page 109.*)

Discount, for J. W. Gardner, Caring & Reed's note, 600.00. Discount off, 1.51. Proceeds placed to his credit, 598.49. (*Rule Fourth, page 109.*)

Pay Express charges on remittance to Bank of Commerce in cash, 1.75.

You may now balance your Journal. There should be eight entries on the left side and six on the right side. The balance of cash on hand should be 20,293.42. Post the day's business, and then take a Trial Balance. If correct, it should correspond with the following:

TRIAL BALANCE, JULY 7, 188—.

Student,	-	-	-	-	-	-	-	-	-	-	-	-	20000		
E. A. Wooden,	-	-	-	-	-	-	-	-	-	-	-	500	30000		
H. E. Sankey,	-	-	-	-	-	-	-	-	-	-	-	856	45	3369	25
J. W. Gardner,	-	-	-	-	-	-	-	-	-	-	-	376	25	4198	49
Discount,	-	-	-	-	-	-	-	-	-	-	-	-	-	20	13
Cash,	-	-	-	-	-	-	-	-	-	-	-	72805	37	52511	95
Bank of Commerce,	-	-	-	-	-	-	-	-	-	-	-	25000	-	3500	
Merchants' Bank,	-	-	-	-	-	-	-	-	-	-	-	10000	-	6250	
Bills Receivable,	-	-	-	-	-	-	-	-	-	-	-	5900	-	-	
Expense,	-	-	-	-	-	-	-	-	-	-	-	4	25	-	
Exchange,	-	-	-	-	-	-	-	-	-	-	-	-	-	7	50
Bills Payable,	-	-	-	-	-	-	-	-	-	-	-	-	-	500	
N. Y. C. & H. R. R. R. Stock,	-	-	-	-	-	-	-	-	-	-	-	6250	-	3960	
H. C. Griffiths,	-	-	-	-	-	-	-	-	-	-	-	-	-	1500	
Park Bank Stock,	-	-	-	-	-	-	-	-	-	-	-	3625	-	-	
												125317	32	125317	32

THURSDAY, JULY 8, 188—.

Sell 10 shares Park Bank Stock for cash, @ 150.00.

Pay H. C. Griffiths' draft on you, 500.00, less discount, 2.25, by check on Merchants' Bank, 497.75. (*Rule Fourth, page 109.*)

Receive cash on deposit of E. J. Howard & Co., 1275.00.

Buy of Reed & Hill, 60 shares N. Y. C. & H. R. R. R. Stock, @ 124 $\frac{1}{4}$. Pay for same by check on Merchants' Bank, 3000.00. Balance in cash. (*Rule Third, page 109.*)

Student appropriates cash for private use, 500.00.

Sell J. W. Gardner your sight draft on Bank of Commerce, New York, 3500.00, at $\frac{1}{4}$ % exchange. Receive his check on you in payment. (*Rule Fourth, page 109.*)

Pay sundry items of Telegraphing in cash, 1.45.

Receive cash on deposit of H. E. Sankey, 2350.00.

Pay your acceptance of 6th inst. in cash, 500.00.

Draw a sight draft on Bank of Commerce, 7500.00, and remit it to Merchants' Bank for your credit. (*Rule Fourth, page 109.*)

Pay Howard & Co.'s check in cash, 100.00.

Discount for J. W. Gardner his accommodation note, endorsed by Lee & Parker, payable at Bank of Commerce, New York, 1500.00. Discount off, 15.75. Proceeds to his credit.

Sell 20 shares N. Y. C. & H. R. R. R. Stock to Morgan & Reeves, @ 126 $\frac{1}{2}$. Receive in payment, their check on Fourth National Bank, New York, and remit same to Bank of Commerce, for your credit.

Balance your Journal, and post the day's business. There should be twelve entries on the left side, and ten on the right side. The cash on hand should be 19861.97.

FRIDAY, JULY 9, 188—.

Receive cash of R. N. Smith, for his note, 2500.00.

Accept E. J. Howard & Co.'s draft, in favor of H. C. Griffiths, to apply on *acc*, 850.00.

Sell H. C. Griffiths, your sight draft on Bank of Commerce, 1500.00, at $\frac{1}{4}$ % exchange. Receive in payment, cash, 800.00; his check on you for the balance.

Receive cash of J. W. Gardner, on deposit, 265.50.

Sell Wm. Smith, 15 shares Park Bank Stock, @ 150.00. Receive cash, 550.00, and his note for the balance.

Pay H. E. Sankey's check in cash, 876.44.

Receive on deposit, of O. B. Welch, cash, 500.00, and issue him a Certificate of Deposit. (*Credit Certificate of Deposit instead of O. B. Welch.*)

Have J. W. Gardner's note for 1500.00, rec'd yesterday, re-discounted at Bank of Commerce. Discount off, 10.25. Proceeds to your credit.

Receive cash of H. C. Griffiths, on deposit, 200.00.

Protest Caring & Reed's note, 600.00, rec'd 7th inst., for non-payment. Pay the Notary Public's fees in cash, 1.35. (*Debit Protested Paper, 601.35, and credit Bills Receivable, 600.00.*)

Sell H. E. Sankey 40 shares N. Y. C. & H. R. R. R. Stock, @ 128. Receive his check on you, 3120.00, and his check on Chemical National Bank, New York, for the balance.

Receive cash of E. J. Howard & Co., on deposit, 2500.00.

Receive cash of Wells Bro's, for their note, 800.00, and interest on same, 4.25.

Balance your Journal and post the day's business. Cash on hand, 29103.93.

SATURDAY, JULY 10, 188—.

Receive cash on deposit of E. J. Howard & Co., 275.00.

Discount, for L. D. Briggs, Alonzo Stebbins' note, 890.00. Discount off, 17.80. Give him draft on Bank of Commerce for 500.00, at $\frac{1}{4}$ % exchange, and pay him the balance of the proceeds in cash.

Pay H. E. Sankey's check in cash, 317.28.

Buy 100 shares Western Union Telegraph Stock, @ 98 $\frac{3}{4}$. Give in payment, Wm. Smith's note, rec'd yesterday, 1700.00, less discount, 12.75; your check on Merchants' Bank, 6000.00, and cash for the balance.

J. W. Gardner, for whom you discounted Caring & Reed's note, protested yesterday, takes up the note by his check on you, 601.35.

Receive cash of H. E. Sankey, on deposit, 2000.00. Issue him a Certificate of Deposit for 1000.00, and place the balance to his credit.

Sell H. C. Griffiths, 50 shares W. U. Telegraph Stock, @ 101 $\frac{1}{4}$. Receive in payment, your acceptance of yesterday in his favor, 850.00, less discount, 11.83; a sight draft on Importers and Traders' Bank, New York, 1648.84; his check on you, 496.25; and currency for the balance.

Receive cash of J. W. Gardner, on deposit, 1750.00.

Remit to Bank of Commerce, for your credit, the check on Chemical National Bank rec'd yesterday, 2000.00, and the draft on Importers and Traders' Bank rec'd to-day, 1648.84.

Sell for cash, 25 shares W. U. Telegraph Stock, @ 100 $\frac{1}{2}$.

Benj. W. Craig pays his acceptance rec'd 6th inst., 2000.00, and interest on same, 6.00, as follows: His check on Monroe Savings Bank, 1000.00; your Certificate of Deposit issued yesterday to O. B. Welch, 500.00; and currency for the balance.

Balance your Journal. Cash on hand, 34350.69. After posting the day's business, make a Balance Sheet and close the Ledger.

INVENTORIES, JULY 10, 188—.

20 shares N. Y. C. & H. R. R. Stock,	@ 124 $\frac{1}{4}$
25 " W. U. Telegraph " 	@ 98 $\frac{3}{4}$

Net Gain of Firm, 754.31. Present Worth of Firm, 49,754.31.

NOTE.—Remember, in making the Summary and in closing the Loss and Gain account, that the Net Gain is to be shared by the proprietors in proportion to their investments. Hand to the teacher a proof of the balances brought down in closing the Ledger. Also present your books for inspection, and be prepared upon the following.

QUESTIONS FOR REVIEW.

Page 109.—¹ Define the Cash Method. ² To what kind of business is it best adapted? ³ What are its principal advantages? ⁴ For transactions in which Cash is the only debit, how is the entry to be made in the Cash Journal? ⁵ How if Cash is the only credit? ⁶ How if there are several debits and credits, one of which is Cash? ⁷ How if no Cash enters into the transaction?

Page 112.—⁸ Why do not the footings of the Journal show the cash received and disbursed? ⁹ What does the footing of the left side represent? ¹⁰ The right side? ¹¹ What will the difference between these footings represent? ¹² How is the balance of cash on hand found? ¹³ Explain the manner of posting and how the Ledger is kept in balance.

Page 114.—¹⁴ In bringing down the balance of the previous day, to which column is it carried? ¹⁵ Why?

SHIPPING AND COMMISSION.

¹ This set is designed to illustrate a general business in shipping property to and receiving property from other parties, to be sold on commission. The same principles are involved as explained and illustrated on pages 55-57.

² In addition to the Journal, a Commission Sales Book and Cash Book are to be kept as ³ principal books. ⁴ Those entries only which pertain to consignments are to be made in the Sales Book. ⁵ Entries involving cash are to be made in the Cash Book. ⁶ All other entries are to be made in the Journal.

The simpler forms only of Commission Sales Book and Cash Book are illustrated in this set.

Special columns may sometimes be profitably introduced in these books, and when found advantageous, they can easily be added to meet the requirements of any particular branch of the Commission business.

Wm D. Hamlin, Secy.

1883							
Sep	2	1000	bu White Cats				
	2	Cash	Paid freight	65			
	6	Storage	1 ⁵ per bu	10			
	6	Commission	2% of sales	9.24		P.4	24
	"	W Hamlin	Net proceeds			377	76
						4.62	

Foster Bros. Carthage.

Sept 6	500 bu R. Wheat			
"	Cash Paid freight	50		
12	Storage 2 1/2 ¢ per bu	12 50		
	Commission 2% of sales	13 73	76 23	
	Cash Net proceeds remitted		610 02	
			686 25	

Harding & Sec't, Salem,

Sept 8	1400 bbls. Flour			
11	Cash	Paid cooperage	3 75	
15	Cash	Remitted to W & L	300	
21	Storage	8¢ per bbl.	52	
	Commission	2% of sales	63 50	399 25
	Warehousing & Lic	Net proceeds due by equation Oct. 10.		2775 75
				3175

Consignment

188-					
Sep 3		M. B. Steele	On account		
		400 bu. H. Oats	45¢		180
6		Wright & Eaton	On account		
		600 bu. H. Oats	47¢		282
					462

Consignment

Sep 9	✓	Cash	Sold to Geo Gould		
		200 bu. R. Wheat	13 1/4		274 50
12	✓	Cash	Sold to P. J. Gibson		
		300 bu. R. Wheat	13 7/8		411 75
					686 25

Consignment

Sep 10		M. B. Steele	On account at 100 lbs		
		100 bbls Flour	7 1/2		775
15			Sold to Jno. Howe		
		100 bbls Flour	8 1/2		850
	✓	Cash	Rec'd on above	300	
		Jno. Howe	Balance at 5 days	5 1/2	
20		1 Bbls (Rec. M. D. Vance on note 50 lbs)			
		200 bbls Flour	8 1/2		1600
					3175

CASH BOOK.

SEPTEMBER, 188-

			CASH	TO	SUNDRIES.				
Sept.	1		Stndent.	Investment.		3500			
	8		Mdse.	50 bbls. Apples.	2.25	112	50		
	9	✓	M. B. Steele.	On account.		80			
			Foster Bro's Consignment,	200 bu. R. Wheat.		274	50		
								3967	
								3967	
Sept.	11		Balance.					3628	25

JOURNAL.

SEPTEMBER 3, 188-

			Mdse.	Bo't of Welch Bro's.		1000			
				500 bbls. Apples.	2.				
			To Bills Payable,	Gave them note at 10 days,				600	
			Welch Bro's,	Balance on account,				400	
				5.					
			Ship't to L. Coleman,	Shipped him, to be sold on my		505			
			Bay View.	account,					
			To Mdse.	250 bbls. Apples.	2.			500	
		✓	Cash,	Cartage on same,				5	

LEDGER.

STUDENT

188-				188-					
Sept.	1		Cash,	Sept.	1		Cash,	3500	

MERCHANDISE.

188-				188-					
Sept.	3	Sundries,	1000	Sept.	8	Cash,	112	50	
					5	Ship't to L. C.	500		
							612	50	

M. B. STEELE.

188-				188-					
Sept.	3	Hamlin's Con.	180	Sept.	9	Cash,	80		
	10		75						

EXPENSE.

188-									
Sept.	2	Cash,	18	75					

CASH BOOK.

SEPTEMBER, 188—.

188—			SUNDRIES	TO	CASH.				
Sept.	2	✓	Hamlin's Consignment,	Freight,	65				
	3		Expense,	Office Books,	18	75			
	5		Ship't to L. Coleman,	Cartage,	5				
	6	✓	Foster Bro's Consignment,	Freight,	50				
	10	✓	Welch Bro's.	On account,	200				
			Balance,	On hand,			338	75	
							3628	25	
							3967		

LEDGER.

WELCH BROS.

188—									
Sept.	10	Cash,		200		188—	3	Mdse.	400
						Sept.			

STORAGE.

						188—	6	Hamlin's Con.	10
						Sept.			

COMMISSION.

						188—	6	Hamlin's Con.	9 24
						Sept.			

WM. D. HAMLIN.

						188—	6	Hamlin's Con.	377 76
						Sept.			

HOYT & EATON.

188—									
Sept.	6	Hamlin's Con.		282					

BILLS PAYABLE.

						188—	3	Mdse.	600
						Sept.			

SHIPMENT TO L. COLEMAN Bay View.

188—									
Sept.	5	Sundries,		505					

SEPTEMBER, 188—.

1. Commence a general Shipping and Commission Business, investing cash, 3500.00. (*C. B.*)
2. Receive from Wm. D. Hamlin, Laporte, to sell on his account, 1000 bu. White Oats. Pay Freight on same in cash, 65.00.

NOTE.—Enter in Sales Book and Cash Book, and check the entries. * See form of Sales Book on pages 118–119, form of Cash Book on pages 120–121. Give each Consignment one-third of a page space in the Sales Book. Cash is checked in the Sales Book and omitted in posting, because the entry in the Cash Book credits Cash; and Hamlin's Consignment is checked in the Cash Book and omitted in posting, because the entry in the Sales Book debits Hamlin's Consignment; otherwise these amounts would be posted twice.

3. Sell M. B. Steele, on $\frac{1}{4}\%$, from Hamlin's Consignment, 400 bu. W. Oats, @ 45c. (*S. B.*)

NOTE.—Making this entry on the right hand side of the Sales Book credits Hamlin's Consignment and debits M. B. Steele, same as in the Cash Method.

Buy of Welch Bro's, 500 bbls. Apples, @ 2.00. Give them in payment, your note at 10 days, 600.00. Balance on $\frac{1}{4}\%$. (*J.*)

Pay cash for set of Office Books, 18.75. (*C. B.*)

5. Ship L. Coleman, Bay View, to be sold on your account, 250 bbls. Apples, @ 2.00. Pay Cartage on same in cash, 5.00. (*J. and C. B.*)

NOTE.—Check Cash in the Journal and Ship't to L. Coleman in the Cash Book. For explanation see note under Sept. 2d, above.

6. Receive from Foster Bro's, Carthage, to sell on their account, 500 bu. Red Wheat. Pay Freight on same in cash, 50.00. (*S. B. and C. B., and check the entries.*)

Sell Hoyt & Eaton, on $\frac{1}{4}\%$, from Hamlin's Consignment, 600 bu. W. Oats, @ 47c. (*S. B.*)

Close Wm. D. Hamlin's Consignment, and render an account of same. Storage, 1c. per bu., 10.00; Commission, 2% on sales, 9.24. Wm. D. Hamlin's net proceeds to his credit, 317.76. (*S. B. See form of Account Sales, page 80.*)

NOTE.—Rule a sheet of foolscap paper, and write up the form of this Account of Sales. See illustration on page 80. Rule up the Consignments in the Sales Book as soon as they are closed.

8. Sell for cash, 50 bbls. Apples, @ 2.25. (*C. B.*)
Receive from Harding & Lee, Salem, to sell on their account, 100 bbls. Flour. (*S. B.*)
9. Receive cash of M. B. Steele, on $\frac{1}{4}\%$, 80.00. (*C. B.*)
Sell Geo. Gould, for cash, from Foster Bro's Consignment, 200 bu. R. Wheat, @ 1.37½. (*S. B. and C. B.*)
10. Pay Welch Bro's, cash on $\frac{1}{4}\%$, 200.00. (*C. B.*)
Sell M. B. Steele, on $\frac{1}{4}\%$, at 10 days, from Harding & Lee's Consignment, 100 bbls. Flour, @ 7.75. (*S. B.*)

You may now balance your Cash Book, after which post the foregoing entries. Post from the Journal as heretofore. * Post from the Cash Book and Sales Book as instructed for the Cash Method; that is, all items on the left side are to be credited, and all on the right side debited. You need not in this set, however, open in the Ledger a Cash account nor accounts with Consignments. * When taking a Trial Balance, carry to it the balance of cash on hand, as shown by the Cash Book, and the balances of all unclosed Consignments, as shown by the Sales Book. All items that are checked are not to be posted. In posting the items not checked, use the Ledger folio as a check mark. Give each account one-fourth of a page space.

Commence with the Cash Book, and *complete* the posting from that book; then follow with the Sales Book in same manner, and then with the Journal. The dates will not come in regular order in the Ledger by this method of posting, but this is not material. After you have finished posting from all of the books, your Ledger accounts should agree with those given on pages 120–121.

Take a Trial Balance, and it should agree with the one given on next page. The debits and credits in Foster Bro's Consignment and Harding & Lee's Consignment being unequal, as shown by your Sales Book, it becomes necessary to enter them in the Trial Balance; also enter in the Trial Balance the balance of cash on hand, as shown by the Cash Book.

TRIAL BALANCE, SEPTEMBER 10, 188—.

Student, - - - - -				3500	
Mdse. - - - - -	1000			612	50
M. B. Steele, - - - - -	955			80	
Expense, - - - - -	18	75			
Welch Bro's, - - - - -	200			400	
Storage, - - - - -				10	
Commission, - - - - -				9	24
Wm. D. Hamlin, - - - - -				377	76
Hoyt & Eaton, - - - - -	282				
Bills Payable, - - - - -				600	
Ship't to L. Coleman, Bay View, - - - - -	505				
Foster Bro's Con. - - - - -				224	50
Harding & Lee's Con. - - - - -				775	
Cash, - - - - -	3628	25			
	6589	00		6589	00

After completing the Trial Balance, continue the business, making the entries for the following transactions in the various books as heretofore instructed.

SEPTEMBER, 188—.

11. Receive cash of Hoyt & Eaton, on $\frac{1}{4}\%$, 182.00.
 Buy of Jas. P. King, on $\frac{1}{4}\%$, 300 bu. Potatoes, @ 65c. (*J.*)
 Pay cash for Cooperage on Flour belonging to Harding & Lee's Consignment, 3.75. (*S. B. and C. B., and check the entries.*)
12. Sell P. J. Gibson, for cash, from Foster Bro's Consignment, 300 bu. R. Wheat, @ 1.37 $\frac{1}{4}$. (*S. B. and C. B., and check.*)
 Close Foster Bro's Consignment, and render an account of same. Storage, 2 $\frac{1}{2}$ c. per bu., 12.50; Commission, 2% on sales, 13.73. Net proceeds remitted in cash, 610.02. (*S. B. and C. B.; check 610.02.*)
13. Receive from L. Coleman an account of the shipment made him 5th inst., with cash for your net proceeds, 634.50. (*C. B.*)
 Student draws cash for private use, 50.00.
 Sell Jno. Howe, from Harding & Lee's Consignment, 100 bbls. Flour, @ 8.00. Receive cash, 800.00. Balance on $\frac{1}{4}\%$ at 15 days. (*S. B. and C. B.; check 800.00.*)
15. Ship A. G. Niles, Evansville, to be sold on your account, 200 bu. Potatoes, @ 65c. Pay Cartage in cash, 3.25. (*J. and C. B.; check 3.25.*)
 NOTE.—Write up on foolscap paper the form for this Invoice of Shipment. See Business Forms, on last pages of the text book, for illustration.
 Pay Book-keeper cash, to apply on Salary, 25.00.
 Remit Harding & Lee, for cash sale made from their Con. 13 inst., 300.00. (*S. B., C. B. and check.*)
16. Pay your note due to-day in cash, 600.00.
18. Receive from Henry Benson, Seneca, to sell on his account, 500 doz. Eggs. Pay Express charges in cash, 6.25.
 NOTE.—The letters indicating the books will hereafter be omitted. Remember to check Cash whenever it is debited or credited elsewhere than in the Cash Book, and to check Consignments if debited or credited elsewhere than in the Sales Book.
19. Remit Wm. D. Hamlin cash in full for his net proceeds, as per Account Sales 6th inst., 377.76.
 Sell for cash, 50 bu. Potatoes, @ 75c.
 Pay J. P. King cash on $\frac{1}{4}\%$, 50.00.
 Sell to Geo. Lacy, for cash, from Benson's Consignment, 200 doz. Eggs, @ 18c.
20. Sell W. D. Vance, on his note at 30 days, from Harding & Lee's Consignment, 200 bbls. Flour, @ 8.00.
 Close Harding & Lee's Consignment, and render an account of same. Storage, 8c. per bbl.; Commission, 2% of sales. Balance to Harding & Lee's credit due by equation Oct. 10th.
 NOTE.—You are required to work this equation to verify the result as given above. See your Arithmetic for instruction in Equation of Accounts.
 Receive cash of M. B. Steele, in full of $\frac{1}{4}\%$, 875.00.

You may now balance your Cash Book. Cash on hand, 4078.97. Next post the foregoing entries from the various books, as instructed on page 122, after which take a Trial Balance. Remember that Cash and all unclosed Consignments must be entered in the Trial Balance before it will prove.

In the Trial Balance given below, a portion only of the amounts are extended, the student being required to complete the extensions, as well as to verify those which are given, from his own books. After completing the Trial Balance, continue the business to the end of September, when you will make out a Balance Sheet and close the Ledger.

TRIAL BALANCE, SEPTEMBER 20, 188-.

Student,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50		3500	
Mdse.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1195		780	
Expense,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Welch Bro's,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Storage,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			54	50
Commission,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			86	47
Hoyt & Eaton,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Ship't to L. Coleman, Bay View,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	505		634	50
J. P. King,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Harding & Lee,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
J. Howe,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Bills Receivable,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Ship't to A. G. Niles, Evansville,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133	25		
Henry Benson's Con.,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Cash,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4078	97		
																				8637	97	8637	97

SEPTEMBER, 188-.

21. Ship Wells & Co., Argyle, to be sold on your account, 100 bbls. Apples, @ 2.00.
22. Receive from Lester, Hall & Co., Brantford, to sell on their account, 200 bu. Clover Seed. Pay Freight in cash, 15.00.
23. Receive from A. G. Niles an account of the shipment made him 15th inst. Net proceeds placed to your credit, 121.75.
Receive cash of Jno. Howe, on *acc*, 300.00.
24. Remit Harding & Lee cash, for balance due them on their Consignment, 2775.75, less discount to equated time of payment, Oct. 10.
Receive from Wm. D. Hamlin, to sell on his account (2d Consignment), 3000 bu. White Wheat. Pay Freight in cash, 330.00.
25. Buy of Thos. C. Jennings, on your note at 60 days, 800 bu. Corn, @ 70c.
Pay Welch Bro's cash, in full of *acc*, 200.00
Sell French & Sweet, for cash, from Lester, Hall & Co.'s Consignment, 100 bu. Clover Seed, @ 5.00.
Close Lester, Hall & Co.'s Consignment (100 bu. Clover Seed remaining unsold), and render an account of same. Storage, 2½c. per bu., 5.00; Commission, 2 % of sales. Net proceeds remitted in cash, 470.00.
- NOTE.—Make a memorandum simply, on the credit side of the Consignment, of the 100 bu. unsold. Next close and rule up the Consignment, and then enter, below the ruling on the debit side, the memorandum of the 100 bu. unsold.
26. Sell for cash, 50 bu. Potatoes, @ 78c.
Ship O. W. Sears, Branchport, to be sold on your account, 800 bu. Corn, @ 70c. Pay Insurance 5.00, and Labor on same, 3.10 in cash.
27. A. G. Niles remits you cash, to balance his *acc*, 121.75.
Pay cash for re-packing 300 doz. Eggs belonging to Benson's Consignment, 1.25.
Pay J. P. King cash on *acc*, 45.00.
28. Sell Jas. Barger, for cash, 285 doz. Eggs, from Benson's Consignment, @ 17c.
15 doz. Eggs belonging to Benson's Consignment were broken.
Close Benson's Consignment, and render an account of same. Commission, 2 % of sales. Net proceeds remitted in cash.

28. Sell M. B. Steele, on $\frac{1}{2}\%$, 100 bbls. Apples, @ 2.40.
Prepay your note of 25th inst., favor of Thos. C. Jennings, in cash, less discount.
29. Sell Scott & Trevor, on their note at 15 days, from Hamlin's Con. No. 2, 250 bu. W. Wheat, @ 1.25.
30. Receive from Wells & Co. an account of the shipment made them 21st inst. Net proceeds remitted in cash, 224.50.
W. D. Vance prepays his note of 20th inst. in cash, less discount.
Sell Chas. G. Nixon, from Lester, Hall & Co.'s Consignment, 100 bu. Clover Seed, @ 5.00. Receive his check on Bank of Republic, 200.00. Balance on $\frac{1}{2}\%$.
Close Lester, Hall & Co.'s Consignment, and render an account of same. Storage, 2'c. per bu., 2.50; Commission, 2% of sales. Remit cash to Lester, Hall & Co. 200.00, and place the balance of the net proceeds to their credit.
Pay Book-keeper balance due on month's salary, 25.00, and Warehouse Rent, 50.00, in cash.
Receive cash of Hoyt & Eaton, to balance $\frac{1}{2}\%$, 100.00.

INVENTORY, SEPTEMBER 30, 188—.

Shipment to O. W. S., Branchport, 568 10

You may now balance your Cash Book. Cash on hand, 2464.18. Post and make out a Balance Sheet and close the Ledger. Your Summary should exhibit as follows:

SUMMARY, SEPTEMBER 30, 188—.

Total Resources,	4102 28	Total Gains,	395 03
“ Liabilities,	387 50	“ Losses,	130 25
Present Worth,	3714 78	Net Gain,	264 78

After closing the Ledger and proving your balances, present your books, with a proof of the Ledger balances, to the teacher for inspection.

QUESTIONS FOR REVIEW.

Page 117.—¹What does this set illustrate? ²What books are employed? ³Are they used as principal or auxiliary books? ⁴What entries are made in the Sales Book? ⁵In the Cash Book? ⁶In the Journal?

Page 122.—⁷Why are Cash and Consignments checked and omitted in posting when they appear in any other books than the Cash Book and Sales Book? ⁸In posting from the Cash Book and Sales Book, how is the work to be performed? ⁹Why must unclosed Consignments and the balance of cash on hand be entered in the Trial Balance?

NOTE.—Review also the questions given on page 63.

WHOLESALE.

¹This set is designed to illustrate, in a general way, a method for keeping the books of a Wholesale or Jobbing Business, ²by combining and extending the short methods of book-keeping explained and illustrated in previous sets, so that much time and labor may be saved in performing the work.

Since in almost every business of any magnitude there will be features peculiar to that particular business, there must of necessity be required other forms and books than those here given, and which it would be quite impossible to illustrate within the scope of an ordinary text book.

³The principal books and forms, however, together with their uses and advantages, are so fully illustrated and explained, that any modifications of or additions to them, necessary to meet the requirements of any particular business, may readily be devised and employed.

The books to be used are the Journal, Sales Book, Check Book, Cash Book, Bill Book and Ledger.

EXPLANATIONS OF BOOKS USED.

JOURNAL.

⁴The Journal, as used in this set (see form on page 128), combines with it the Invoice Book, sometimes kept as a separate book, ⁵by the addition of an extra column (headed "Mdse. Dr." in the form), in which the purchases of Mdse. only are to be entered. ⁶This column is to be added and the footing carried forward from page to page until the end of the day or week or month, as desired, ⁷at which time the total footing is to be posted to the debit of Mdse. account. ⁸The items in the columns headed "Sunds. Dr." and "Sunds. Cr." are to be posted separately, as in the ordinary Journal. These columns may be footed, so as to prove with the Check Sheets explained on page 134. ⁹The Invoices themselves may either be filed away in packages, or pasted in a large book made especially for that purpose. ¹⁰This may be used as a principal book if desired, by ¹¹posting from it directly to the Ledger, without making the entries in the Journal.

SALES BOOK.

¹²The Sales Book (see form on page 129) is designed to contain sales of Mdse. only. ¹³The net amount of each bill is to be extended to the last column, and debited to the person who purchased it. ¹⁴The last column is to be added and the footing carried forward from page to page until the end of the day, week or month, as desired, ¹⁵the total being then posted to the credit of Mdse. account. ¹⁶An additional advantage may be secured by using for a Sales Book a large Copying Book, in which impressions of all of the bills may be made and posted directly to the Ledger.

CHECK BOOK.

¹⁷In the Check Book (the form given on page 130 shows the stub only) is to be kept a record of all transactions with the bank, ¹⁸and a Bank account is not to be opened in the Ledger. ¹⁹When a deposit is made, the Bank is debited for the amount of the deposit by entering it in the Check Book, with the proper explanation, and ²⁰adding the amount to the previous balance. ²¹When a check is drawn, the bank is credited, by ²²deducting the amount of the check from the previous balance. ²³No entry is to be made in the Cash Book when cash is deposited, ²⁴the balance in bank being treated as cash on hand. ²⁵When a payment is made by check, therefore, the amount must be entered to the credit of cash in the Cash Book, in addition to crediting the bank in the Check Book, because reducing the bank balance reduces the cash balance at the same time.

CASH BOOK.

²⁶The Cash Book (see form on pages 130-131) is designed to contain cash entries only. ²⁷It is arranged with special columns, ²⁸in order to classify to some extent the receipts and payments of cash, and to facilitate the work of posting. ²⁹The footings only of the special columns are to be posted daily, weekly or monthly, as desired, those on the left side being credited, and those on the right debited. ³⁰The items in the Sundries columns are to be posted separately, those on the left side credited, and those on the right debited. ³¹In posting to the Cash account in the Ledger, the difference in the cash balances only is to be posted. ³²If the balance of cash on hand is less than at the last posting, Cash account is to be credited with the difference; ³³if more, is to be debited. To prove the cash, ³⁴add together the footings of all of the columns on the left side of the Cash Book, and the amount will be the total debit of Cash; ³⁵then add together the footings of all of the columns on the right side, and the amount will be the total credit of Cash. ³⁶The difference between these two amounts will be the balance of cash on hand, ³⁷which is found by adding the cash in safe and the balance in bank together.

BILL BOOK.

³⁸The Bill Book is to be kept as an auxiliary book, the same as heretofore. ³⁹It may be kept as a principal book; but as a rule the entries in it are so few, comparatively, that most book-keepers prefer to journalize such entries.

TRIAL BALANCE

⁴⁰The form of Trial Balance shown on page 134 is called a Continued Trial Balance, and ⁴¹is designed to save the time and labor consumed in re-copying the titles of the various accounts whenever a Trial Balance is to be taken.

LEDGER INDEX.

A common form of Ledger Index is illustrated on page 134. ⁴²A convenient plan for such an Index, if the number of accounts is not too great, is to arrange the names alphabetically, as shown in the form on page 134, written upon a stiff card of suitable size, which can stand in front of the person who is posting, making it much easier to be referred to than the ordinary form of Index. ⁴³When the number of accounts is very large, a Vowel Index is generally employed.

JOURNAL.

OCTOBER, 188—.

DATE.	Folio.		MDSE. DR.		SUNDS. DR.		SUNDS. CR.
Oct.	1	H. G. Fuller and Student form a co-partnership this day, under the firm name of Fuller & Student, to engage in the Wholesale Business of Wooden Ware and Grocers' Sundries. The partners are to invest equally, and share equally in gains and losses. An interest account is to be kept between the partners.					
"	61	Sundries, To H. G. Fuller, Invested as follows:					3363 47
	61	Bills Receivable, Carter's note, per B. B.			300		
	61	" " Hawley & Co.'s note, per B. B.			500		
	61	Interest, On above to date.			7 33		
	62	Cowles & Hutchings, On account, Olean.			2556 14		
"		Sundries, To Sundries, Student invested as follows:					
	61	Bills Receivable, Leighton's note, per B. B.			3000		
	61	Interest, On above to date,			30		
	62	W. & E. Morgan, City, On account.			2014 66		
	62	To Bills Payable, Note to Fulton, per B. B., assumed by the firm,					600
	61	Interest, On above to date,					8 50
	62	S. W. Siddons, City, On account,					307 44
	63	Lorrain Mfg. Co., " " New York,					490 25
	63	Brown Bro's & Seaver, Eastport, " "					275
	61	Student, Net Investment,					3363 47
2	63	To Byron Vaile, Inv. Oct. 1, 60 days, Toronto.	612	25			612 25
3	61	Bills Receivable, Rec'd note to apply on %,			500		
	62	To W. & E. Morgan, per B. B.					500
4	63	To Scovell, Hodges & Co., New York, Inv. Oct. 2, 15 days,	812	34			812 34
"	63	Brown Bro's & Seaver, Gave them note per B. B. on			100		
	62	To Bills Payable, account.					100
5	64	To F. M. Reed, Boston, Inv. Oct. 3, 90 days,	1540	71			1540 71
"	61	Bills Receivable, Rec'd note per B. B., for			81 75		
	65	To B. N. Achard, Mdse. as per S. B.					81 75
7	64	To Hopkins & Weeks, Inv. Oct. 4, 60 days, Baltimore.	1316	70			1316 70
8	63	Scovell, Hodges & Co. Gave them note in full for			812 34		
	62	To Bills Payable, Inv. Oct. 2,					812 34
9	64	To Geo. P. Osgood, Inv. Oct. 7, 30 days, Chicago.	216	50			216 50
"	63	Brown Bro's & Seaver, Remitted them, on % draft			100		
	62	To Cowles & Hutchings, at 30 days on C. & H.					100
10	63	To Byron Vaile, Inv. Oct 7, 60 days,	376	88			376 88
"	61	Bills Receivable, Rec'd note to apply on %,			300		
	62	To W. & E. Morgan, per B. B.					300
	64		4875	38	10302	22	15177 60

SALES BOOK.

OCTOBER, 188-.

	Date	No.	Description	Price		Total	Paid	Balance
Oct.	3	65	Frank Goodspeed, Waverly. 1 doz. No. 1 O. Chop. Trays, 2 Glass Cheese Safes, 10 Nests F. Pails,	5. 4.50 1.25		5 9 12	50	26 50
	3	65	F. E. Warren, New Rochelle. 3 doz. N. D. Z. Wash Boards, 5 " E. S. Z. " " 5 M No. 4 Paper Bags, 3 doz. 12-in. B. Bowls, 4 " Cov. W. D. Baskets, 2 " O. C. Trays, No. 2, 1½ " No. 10 Feather Dusters, 1 " No. 12 " "	2.50 1.75 1.75 10 % 1.75 2.50 5. 20. 26.50	8 75 88 30 26 50	7 50 8 75 7 87 5 25 10 10		
					56 50 18 36			
			25 and 10 %			38 14		
			10 gro. Gates' Matches, 6 Broom Racks,	2.70 2.50		27 15		129 51
	3	65	Larkin & Sprong, Groveland. 2 doz. Wood Shovels, 25 lbs. Cotton Twine, 2 doz. No. 3 Wood Scoops,	30 days. 7.50 .34 4.50		15 6 9		30
	5	65	B. N. Achard, Scipio. 10 doz. 2-hoop Pails, 3 " H. H. Tubs, 2 " Com. H. Tubs, 3 " Clothes Pounders, 10 " Rolling Pins,	Note per B. B. 2. 8.75 8.50 2. 1.25		20 26 25 17 6 12 50		81 75
"	65		Larkin & Sprong, 12 doz. Royal S. Dressing, 4 gro. Dixon S. Polish, 3 doz. qts. University Ink,	30 days. 1. 6.00 6.00 10 %	18 1 80	12 24 16 20		52 20
"	66		Welch & Dow, Fairport. 6 gro. W. Crystal, 50 boxes Crayon, 25 gro. K. Wicks,	Cash. 2.75 .07 .40		16 50 3 50 10		30
S	65		Frank Goodspeed. 2 doz. N. C. Wringers, 3 " W. Shovels, 5 " H. H. Tubs, 2 Oil Tanks, 4 doz. B. Baskets, 3 " H. Brushes, 5 gro. Kinning's Bluing,	45 days. 45. 7.50 8.75 16. 25 % 7.50 6. 8.	32 8	90 22 50 43 75 24 30 18 40		268 25
9	66		Welch & Dow, 4 doz. U. Ink, 4 " H. H. Tubs, 5 " W. Shovels,	6. 10 % 8.75 7.50	24 2 40	21 60 35 37 50		94 16
	64							712 31

CASH BOOK.

* OCTOBER, 188-.

DATE.	Folio.	CASH	TO	SUNDRIES.	SUNDRIES.	MDSE.	BILLS REC.	DISCOUNT.
Oct. 1	61	11. G. Fuller,	Cash paid in,	2636	53			
" 2	61	Student,	On deposit in C. Bank,	2636	53			
3		Mdse.	Drawer sales,			95	48	
4		Discount,	B. Vaile,					30 61
" 5	61	Bills Receivable,	Leighton's note paid,				3000	
" 6		Interest,	On above note,	31	50			
" 7		Mdse.	Drawer sales,			21	19	
" 8		"	" "			62	10	
" 9	66	Welch & Dow,	Cash sale per S. B.	30				
" 10	61	Bills Receivable,	Hawley & Co.'s note paid,				500	
" 11	65	Interest,	On above note,	7	15			
" 12		Frank Goodspeed,	Inv. 3d inst.	26	50			
" 13		Mdse.	Drawer sales,			52	12	
" 14		Bills Receivable,	Carter's note paid,				300	
" 15	65	Larkin & Sprong,	Inv. Oct. 3,	30				
" 16		Discount,	F. M. Reed,					38 52
				5398	81	230	89	3800
	64		Mdse.	230	89			69 13
	61		Bills Receivable,	3800				
	66		Discount,	69	13			
				9498	83			
Oct. 11		Balance,		6149	05			

CHECK BOOK STUB.

FIRST PAGE.

SECOND PAGE.

Oct. 1. Balance,	2636	53	Oct. 4. Deposited,	3928	44
" 2. Deposited,	2000			2500	
	4636	53	" 9. Note favor of Fulton paid,	6428	44
No. 1.			" 10. Deposited,	609	30
Date Oct. 3, 188-.				5819	14
To Wm. Strong.			No. 3.	500	
For Rent for October.			Date Oct. 10.	8319	14
Amount	125		To F. M. Reed.		
	4511	53	For On account.		
No 3.			Amount	1502	19
Date Oct. 3.				4616	95
To College Bank.					
For Draft remitted to Vaile.					
Amount	583	09			
	3928	44			

CASH BOOK.

OCTOBER, 188--.

DATE.	Folio.	SUNDRIES	TO	CASH.	SUNDRIES.	EXPENSE.	DISCOUNT.
Oct.	2	Expense,	Office Safe, 200; Books, 37.50			237 50	
	3	Lorrain Mfg. Co.	On account,		100		
	"	Expense,	Rent for October,			125	
	"	Byron Vaile,	Inv. Oct. 1,	612 25			
	"	Expense,	Exch. on draft,			1 45	
	4	S. W. Siddons,	On account,	107 44			
	8	Discount,	F. Goodspeed,				53
	9	Bills Payable,	Note favor Fulton,	600			
	"	Interest,	On above note,	9 30			
	10	Discount,	Larkin & Sprong,				30
	"	F. M. Reed,	Inv. Oct. 3,	1540 71			
		Expense,	Coal for office,			15 30	
				2969 79		379 25	83
	66		Expense,	379 25			
	66		Discount,	83			
				3349 78			
	66	Balance,	In Bank,	4816.95			
			" Safe,	1332.10	6149 05		
					9498 83		

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	Scovell, H. & Co., 63.
N	T
	Tilden & Breme, 67.
O	U
Osgood, Geo. P., 64.	
P	V
	Vaile, Byron, 63.
Q	W
	Warren, F. E., 65.
	Welch & Dow, 66.
R	X, Y, Z
Reed, F. M., 64.	
Richardson, R., 67.	

LEDGER.

H. G. FULLER.

[illegible]

STUDENT.

[illegible]

BILLS RECEIVABLE.

188-		J.	50	300		188-		C. B.	30	3800
Oct.	1	"	"	500		Oct.	10			
	"	"	"	3000						
	3	"	51	500						
	5	"	"	81	75					
	10	"	"	300						
				4631	75					

INTEREST.

188- Oct.	1	J.	50	7	33	188- Oct.	1	J.	50	8	50
	"	"	"	30			4	C. B.	30	31	50
	9	C. B.	30	9	30		6	"	"	7	75
				46	63					47	75

COWLES & HUTCHINGS, Olean.

188- Oct.	1	J.	50	2556	14	188- Oct.	9	J.	51	100
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W. & E, MORGAN, City.

188- Oct.	1	J.	50	2014	66	188- Oct.	3 10	J.	51	500 300 800
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BILLS PAYABLE.

[illegible]

S. W, SIDDONS, City.

188- Oct.	4	C. B.	30	107	44	188- Oct.	1	J.	50	307	44
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LORRAIN MFG. CO., New York.

188- Oct.,	3	C. B.	30	100	188- Oct.	1	J.	50	490	25
---------------	---	-------	----	-----	--------------	---	----	----	-----	----

BROWN BRO'S & SEAVER, Eastport.

188-						188-					
Oct.	4		J.	51	100	Oct.	1		J.	50	275
	9		"	"	100						
					200						

BYRON VAILE, Toronto.

188-						188-					
Oct.	3		C. B.	30	612 25	Oct.	2	Inv. Oct. 1, 60 ds.	J.	51	612 25
							10	" " 7, "	"	"	376 88
											989 13

SCOVELL, HODGES & CO., New York.

188-						188-					
Oct.	8		J.	51	812 34	Oct.	4	Inv. Oct. 2, 15 ds.	J.	51	812 34

F. M. REED, Boston.

188-						188-					
Oct.	10		C. B.	30	1540 71	Oct.	5	Inv. Oct. 3, 90 ds.	J.	51	1540 71

B. N. ACHARD, Scipio.

188-						188-					
Oct.	5		S. B.	21	81 75	Oct.	5		J.	51	81 75

HOPKINS & WEEKS, Baltimore.

						188-					
						Oct.	7	Inv. Oct. 4, 60 ds.	J.	51	1316 70

GEO. P. OSGOOD, Chicago.

						188-					
						Oct.	9	Inv. Oct. 7, 30 ds.	J.	51	216 50

MERCHANDISE.

188-						188-					
Oct.	10		J.	51	4875 38	Oct.	10		S. B.	22	712 31
							"		C. B.	30	230 89
											943 20

FRANK GOODSPEED, Waverly.

188-						188-					
Oct.	3		S. B.	20	26 50	Oct.	8		C. B.	30	26 50
	8	45 ds.	"	21	268 25						
					294 75						

F. E. WARREN, New Rochelle.

188-											
Oct.	3		S. B.	20	129 51						

LARKIN & SPRONG, Groveland.

188-						188-					
Oct.	3		S. B.	20	30	Oct.	10		C. B.	30	30
	5	30 ds.	"	21	52 20						
					82 20						

WELCH & DOW, Fairport.

188-						188-					
Oct.	5		S. B.	22	30	Oct.	5		C. B.	30	30
	9		"	"	94				"		
					124						

DISCOUNT.

188-						188-					
Oct.	10		C. B.	30	83	Oct.	10		C. B.	30	69 13

EXPENSE.

188-											
Oct.	10		C. B.	30	379 25						

CASH.

188-											
Oct.	10		C. B.	30	6149 05						

It is customary in business to post the items from the various books every day, and after posting to review the work, re-examining and re-checking every entry, to detect any error which may have been made in the work, and to avoid if possible a "refractory" trial balance at the end of the month.

The following plan is sometimes substituted for the re-checking process, and proves very effective, especially where the book-keeper is provided with an assistant:

A sheet of paper or card, called a "Check Sheet," or "Check Card," of about foolscap size, ruled in narrow columns, is provided for each book from which posting is to be done. Before the work of posting begins, the assistant enters from the Index the Ledger folio against each amount which is to be posted. He then finds the account in the Ledger, and the book-keeper, after observing that he has turned to the right account, posts the entry, checking it thus ✓ in the book from which it was posted. After checking the entry, he takes a second look at the amount *as it stands in the Ledger*, and, while the assistant is finding the next account, he enters it upon the Check Sheet corresponding with the book from which it was posted. At the end of the day the footings of the several sheets and the footings of the corresponding books must of course agree.

The above plan is almost an absolute check upon omissions, upon a transposition of figures and upon posting to the wrong account.

The illustrations given below represent the Check Sheets of the Journal, Sales Book and Cash Book for the previous ten days' posting.

JOURNAL DEBIT CHECK SHEET	JOURNAL CREDIT CHECK SHEET.	SALES BOOK DEBIT CHECK SHEET.	CASH DEBIT CHECK SHEET.	CASH CREDIT CHECK SHEET.
300	3363 47	26 50	2636 53	100
500	600	129 51	2636 53	612 25
7 33	8 50	30	31 50	107 44
2556 14	307 14	81 75	30	600
3000	490 25	52 20	7 75	9 30
30	275	30	26 50	1540 71
2014 66	3363 47	268 25	30	2969 76
500	612 25	94 10	5398 81	
100	500	712 31		
81 75	812 34			
812 34	100			
100	1540 71			
300	81 75			
10302 22	1316 70			
	812 31			
	216 50			
	100			
	376 88			
	300			
	15177 60			

CONTINUED TRIAL BALANCE.

Folio.		OCTOBER 10.				OCTOBER 20.				OCTOBER 31.			
61	H. G. Fuller,			6000		300		7000		—		—	
61	Student,			6000		500		6000		—		—	
61	Bills Receivable,	4681	75	3800		5417	25	4381	75	6917	25	5667	25
61	Interest,	46	63	47	75	46	63	47	75	53	63	50	08
62	Cowles & Hutchings,	2556	14	100		2556	14	700					
62	W. & E. Morgan,	2014	66	800		2014	66	800					
62	Bills Payable,	600		1512	34	700		1612	34				
62	S. W. Siddons,	107	44	307	44	107	44	307	44	—		—	
	Lorrain Mfg. Co.	100		490	25	290	25	490	25				
	Brown Bro's & Seaver,	200		275		200		275					
	Byron Vaile,	612	25	989	13								
	Scovell, Hodges & Co.					812	34	948	61				
	F. M. Reed,					1540	74	2781	65				
	Hopkins & Weeks,			1316	70								
	Geo. P. Osgood,			216	50	216	50	677	25				
	Merchandise,	4875	38	943	20	7390	39	2475	89	11503	22	4496	64
	Frank Goodspeed,	294	75	26	50	386		294	75				
	F. E. Warren,	129	51			217	01	129	51				
	Larkin & Sprong,	82	20	30		197	95	82	20				
	B. N. Achard,												
	Welch & Dow,	124	10	30									
	Discount,		83	69	13	8	90	136	32	28	78	231	88
	Expense,	379	25			479				577	96		
	Cash,	6149	05			6149	05	262	86	6661	32	262	86
	Hood & Meyers,												
	S. M. Smith,					82							
	Hackett & Brisbain,					218	75						
	R. Richardson,					121		50					
	Tilden & Breme,							498	40				
	M. M. Eaton,												
	Wm. Gardner,												

STATEMENT OCTOBER 31, 188—.

RESOURCES.		LIABILITIES.	
Bills Receivable,	1250 00	Personal Accounts,	3474 41
Mdse. Inventory,	7968 33	Fuller's Net Investment,	6701 42
Expense "	200 00	" $\frac{1}{2}$ Net Gain,	391 67
Cash,	6398 46	" Present Worth,	7093 69
Personal Accounts,	640 80	Student's Net Investment,	5498 42
		" $\frac{1}{2}$ Net Gain,	391 67
		" Present Worth,	5890 09
	16457 59		16457 59

OCTOBER, 188—.

1. H. G. Fuller and Student form a co-partnership this day, under the firm name of Fuller & Student, to engage in the wholesale business of Wooden Ware and Grocers' Sundries.

The Co-partnership articles this day executed, provide that each partner shall devote his entire time to the business; that the gains and losses shall be divided equally, and that an Interest account shall be kept between the partners.

NOTE.—Make the above as a memorandum in your Journal.

- II. G. Fuller's investment: Cash paid in, 2636.53 (*C. B.*); D. G. Carter's note, dated September 5 last, at 30 days, payable at City Bank, 300.00 (*J. and B. B.*); Hawley & Co.'s note dated July 5 last, at 90 days, payable at First National Bank, with interest, 500.00 (*J. and B. B.*); Interest accrued to date on H. & Co.'s note (*J.*); Cowles & Hutchings, Olean, owe on account, 2556.14 (*J.*).

NOTE.—While it is expected that you will be obliged to refer occasionally to the forms as indicated in the transactions by the initial letters: *J.* Journal, *S. B.* Sales Book, *Ck. B.* Check Book, *C. B.* Cash Book, and *B. B.* Bill Book, it is desirable that you do so only when necessary, performing the work as much as possible from the memoranda, aided by the explanations for the various books given on page 127. In every case decide how you think the entry should be made before consulting the forms.

Student's investment: On deposit in College Bank, to the credit of the firm, 2636.53 (*C. B. and Ck. B.* See note below); E. B. Leighton's note dated August 2nd last, at 60 days, indorsed by W. D. Soules, payable at Traders' Bank, with interest, 3000.00 (*J. and B. B.*); Interest accrued to date on above note (*J.*); W. & E. Morgan, city, owe on account, 2014.66 (*J.*).

NOTE.—In the absence of a Check Book, a form for the Check Book Stub may be ruled on a sheet of foolscap paper.

Student's liabilities: Note favor Giles P. Fulton, dated July 8 last, at 90 days, payable at College Bank, with interest, 600.00 (*J. and B. B.*); Interest accrued to date (*J.*); due the following firms on account: S. W. Siddons, city, 307.44; Lorrain Manufacturing Co., New York, 490.25; Brown Bros. & Seaver, Eastport, 275.00 (*J.*).

2. Buy for cash, Office Safe, 200.00; Office Books, 37.50. (*C. B.*)
Deposit in College Bank, cash, 2000.00. (*Ck. B.*)

NOTE.—No entry is made in the Cash Book for the reason explained 23-34 page 127.

Receive Mdse. from Byron Vaile, Toronto, as per Invoice October 1, on 60 days, 5% off in 10 days, 612.25. (*J.*)

NOTE.—See Business Forms on last pages of text book, for illustration of letter ordering the above invoice, also see explanations 4-7, page 127.

Sales for cash, per drawer, 95.48. (*C. L.*)

3. Pay Lorrain Mfg. Co. cash on $\frac{1}{2}\%$, 100.00. (*C. B.*)
Pay Wm. Strong rent of store one month in advance, by your check on College Bank, 125.00. (*C. B. and Ck. B.*)

NOTE.—See explanations 25, page 127.

Sell Frank Goodspeed, Waverly, 1 doz. No. 1 Oval Chopping Trays, @ 5.00; 2 Glass Cheese Safes, @ 4.50; 10 nests F. Pails, @ 1.25. (*S. B.*)

NOTE.—All sales on 60 days time unless otherwise noted.

Sell F. E. Warren, New Rochelle, 3 doz. Novelty D. Z. Washboards, @ 2.50; 5 doz. Eagle S. Z. Washboards, @ 1.75; 5 M No. 4 Paper Bags, @ 1.75, less 10%; 3 doz. 12 inch Butter Bowls, @ 1.75; 4 doz. Coy. W. D. Baskets, @ 2.50; 2 doz. O. C. Trays No. 2, @ 5.00; 1½ doz. No. 10 Feather Dusters, @ 20.00 and 1 doz. No. 12, @ 26.50, less 25 and 10%; 10 gro. Gates' Matches, @ 2.50; 6 Broom Racks, @ 2.50. (*S. B.*)

NOTE.—See Business Forms on last pages of the text book for illustration of above invoice.

Receive of W. & E. Morgan their note at 10 days, payable at Traders' Bank, on $\frac{1}{2}\%$, 500.00. (*J. and B. B.*)

NOTE.—Care must be exercised in making the entries in the Journal and Cash Book, or errors will be made by placing amounts in the wrong columns.

3. Buy a New York draft at $\frac{1}{4}\%$ exchange, and remit to Byron Vaile for Invoice September 30, 612.25, less 5%. Give your check on College Bank to cover the draft and exchange. (*C. B. and Ck. B.*)

NOTE.—See Business Forms on last pages of the text book for illustration of letter accompanying the above remittance.

Sell Larkin & Sprong, Groveland, 30 days, 2 doz. Wood Shovels, @ 7.50; 25 lbs. Cotton Twine, @ 24c.; 2 doz. No. 3 Wood Scoops, @ 4.50. (*S. B.*)

4. Pay S. W. Siddons, cash on $\frac{a}{c}$, 107.44. (*C. B.*)
 Receive Mdse. from Scovell, Hodges & Co., New York, per Invoice, October 2, on 15 days, 812.34. (*J.*)
 Receive cash for a note due to-day. (*C. B. and B. B.*)
 Deposit cash in College Bank, 2500.00. (*Ck. B.*)
 Sales for cash, per drawer, 21.19. (*C. B.*)
 Give Brown Bros. & Seaver your note at 10 days, payable at College Bank, on $\frac{a}{c}$, 100.00. (*J. and B. B.*)
5. Receive Mdse. from F. M. Reed, Boston, per Invoice October 3, on 90 days, 1540.71. (*J.*)
 Sales for cash, per drawer, 62.10. (*C. B.*)
 Sell B. N. Achard, Scipio, on his note at 10 days, payable at College Bank, 10 doz. 2-Hoop Pails, @ 2.00; 3 doz. Heavy Hoop Tubs, @ 8.75; 2 doz. Com. Hoop Tubs, @ 8.50; 3 doz. Clothes Pounders, @ 2.00; 10 doz. Rolling Pins, @ 1.25. (*S. B., J. and B. B.*)

NOTE.—Bills Receivable instead of Achard might have been debited in the Sales Book, and then no Journal entry would have been required. As now made the entries could be checked in both Sales Book and Journal to obviate the necessity of opening an account with Achard in the Ledger. If, as in this case, however, it is desired to know at the end of the year the amount of goods sold to a customer, it is better to open an account with him and post all bills, even though paid for at the time of purchase.

Sell Larkin & Sprong, 30 days, 12 doz. Royal Shoe Dressing, @ 1.00; 4 gro. Dixon's Stove Polish, @ 6.00; 3 doz. qts. University Ink, @ 6.00, 10% off. (*S. B.*)
 Sell Welch & Dow, Fairport, for cash, 6 gro. Washing Crystal, @ 2.75; 50 boxes Crayon, @ 7c.; 25 gro. No. 2 Kerosene Wick, @ 40c. (*S. B. and C. B.*)

NOTE.—See note under sale to B. N. Achard, above.

6. Receive cash for a note due to-day. (*C. B. and B. B.*)
 7. Receive Mdse. from Hopkins & Weeks, Baltimore, per Invoice October 4, on 60 days, 1316.70. (*J.*)
 8. Receive from Frank Goodspeed, a draft on New York for Invoice 3d inst., 26.50, less 2%. (*C. B.*)
 Sales for cash, per drawer, 52.12. (*C. B.*)
 Receive cash for a note due to-day. (*C. B. and B. B.*)
 Sell Frank Goodspeed, on 45 days, 2 doz. N. C. Wringers, @ 45.00; 3 doz. Wood Shovels, @ 7.50; 5 doz. H. H. Tubs, @ 8.75; 2 Oil Tanks, @ 16.00, less 25%; 4 doz. Bushel Baskets, Oak, @ 7.50; 3 doz. Horse Brushes, @ 6.00; 5 gro. Kinning's Bluing, @ 8.00.
- NOTE.—Write up this invoice on foolscap paper. See Business Forms on last pages of text book for illustration.
- Give Scovell, Hodges & Co. your note at 10 days, payable at College Bank, for Invoice October 2, 812.34.
9. Receive Mdse. from Geo. P. Osgood, Chicago, per Invoice October 7, 30 days, 216.50.
 Your note due at College Bank, has been charged to your account. (*C. B., B. B. and Ck. B.*)
 Sell Welch & Dow, 4 doz. qts. University Ink, @ 6.00, less 10%; 4 doz. H. H. Tubs, @ 8.75; 5 doz. W. Shovels, @ 7.50.
 Draw a draft on Cowles & Hutchings, Eastport, at 30 days sight, and remit it to Brown Bros. & Seaver, on $\frac{a}{c}$, 100.00. (*J.*)
10. Receive from Larkin & Sprong, cash for Invoice October 3d, 30.00, less 1%. (*C. B.*)
 Deposit cash in College Bank, 500.00. (*Ck. B.*)
 Receive Mdse. from Byron Vaile, per Invoice October 7, on 60 days, 376.88.
 Give F. M. Reed your check on College Bank for Invoice October 3, 1540.71, less $2\frac{1}{2}\%$. (*C. B. and Ck. B.*)
 Pay cash for Coal, for Office use, 15.30.
 Receive of W. & E. Morgan, their note at 10 days, payable at Traders' Bank, to apply on \$, 300.00. (*J. and B. B.*)

You may now post the entries for the foregoing ten days' business. See explanations and illustrations on page 134 for using check sheets. Give each account one-fourth of a page space. First post from the Journal. See 4 to 8, page 127, for instructions. See also the Journal form on page 128, showing the columns footed and ruled. Use the Ledger folio to check the posting. The pages of your books will not, of course, correspond with those given in the forms. After opening an account in the Ledger, place the title in the index, together with the number of the page upon which it is opened. See illustration on page 131, also see explanations on page 127. Next post from the Sales Book; see 13-15, page 127. See also form of Sales Book on page 129, showing the Mdse. column footed and ruled.

Balance and prove the cash before commencing to post from the Cash Book. For instructions, see 34-37 page 127. See form of Cash Book on pages 130 and 131, showing the manner of footing and ruling the columns, and bringing down the balance of cash on hand. Cash in Safe, 1332.16; Balance in Bank, shown by Check Book Stub, page 130, 4816.95.

After you have completed the posting, your Ledger should correspond with the one given on pages 132-3-4. Next take a trial balance, using the Continued Trial Balance form as illustrated on page 135. See 40-41 page 127. If no such form is provided in your Trial Balance book, you may rule one. The Ledger titles are all to be entered in the trial balance; but those which balance need not be extended. The footings of the columns are not given in the form; you are to foot and prove them, however, as heretofore. You need not rule up any of the personal accounts, even when settled in full, but continue the pencil footings until the end of the month, in order that the footing of each person's account in the Ledger may show the entire amount of goods bought of or sold to him during that period. Business men frequently carry out this plan through an entire year's business.

After completing the trial balance, continue the work in the same manner as in the preceding ten days' business.

Write up the business forms wherever called for by the Memoranda, and take particular pains with the penmanship, spelling and general appearance of these documents.

OCTOBER 188—.

11. Sales for cash per drawer, 65.30.
Deposit cash in College Bank, 400.00.
12. Sell M. M. Eaton, Seneca, on his note at 15 days, payable at Farmers' Bank, 6 doz. C. Brooms, @ 3.00; 2 doz. C. Trays, @ 5.00; 2 doz. N. D. Z. Washboards, @ 2.50; 10 doz. U. Ink, @ 6.00 less 12½%. (*S. B., J. and B. B.*)
13. Student draws for private use by check on College Bank, 500.00. (*C. B. and Ch. B.*)
14. Received from Frank Goodspeed cash for Invoice Oct. 8, 268.25, less 1½%.
Leave M. M. Eaton's note at College Bank for collection. (*B. B.*)

NOTE.—In the column in the Bill Book headed "When and How Disposed of," say "Oct. 14, left at College Bank for collection," *in lead pencil*.

Receive from Scovell, Hodges & Co. Mdse. per Invoice Oct. 9, at 15 days, 136.27.

Sell F. E. Warren 3 doz. Willow Clothes Baskets, @ 9.00; 4 doz. Willow Market Baskets, @ 3.50; 5 doz. Cherry Knife Trays, @ 4.50; 3 M. Crown Butter Dishes, @ 10.00, less 20%.

Sell Frank Goodspeed 5 doz. H. H. Tubs, @ 8.75; 3 doz. Bush. Baskets, Oak, @ 7.50; 20 Nests F. Pails, @ 1.25.

15. Give Lorrain Mfg. Co. your check on College Bank, on 90.25.
Accept Lorrain Mfg. Co.'s draft on you at 10 days sight, payable at College Bank, favor of D. Leary, to apply on 90.100. (*J. and B. B.*)
Pay cash for Postage, 2.75.
Buy of Hood & Meyers, City, on 60 days, Mdse. per Invoice Oct. 15, 178.65.
16. Sales for cash per drawer, 136.15.
Give Hopkins & Weeks your check on College Bank, for Invoice Oct. 7, 1316.70, less 2½%.
Sell S. M. Smith, City, on ten days, 10 gro. Lead Pencils, @ 1.00; 5 doz. Cotton Clothes Lines, @ 2.00; 10 doz. P. B. Dishes, @ 5.50, less 20%; 1½ doz. Feather Dusters, @ 20.00, less 40%.
Receive from Geo. P. Osgood, Mdse. per Invoice Oct. 12, 30 days, 460.75.
Receive of Larkin & Sprong, cash for Invoice Oct. 5, 52.20, less 1%.
Receive cash for a note due to-day.
Deposit cash in College Bank, 1500.00.
H. G. Fuller draws for private use by check on College Bank, 300.00.

17. Remit Geo. P. Osgood your certified check on College Bank, for Invoice Oct. 7, 216.50, less 3%.

NOTE.—Write up this check on foolscap paper. See Business Forms, on last pages of text book, for certified check.

Sell Larkin & Sprong 2 doz. No. 10 F. Dusters, @ 20.00, less 25 and 10%; 5 doz. H. H. Tubs, @ 8.75; 6 doz. B. Baskets, @ 7.50.

Sales per cash drawer, 162.50.

Receive from Cowles & Hutchings their note at 5 days, payable at Exchange Bank, to apply on %.

Sell Hackett & Brisbain, Clinton, 3 doz. N. D. Z. Washboards, @ 2.50; 5 doz. C. K. Trays, @ 4.50; 10 doz. B. Brooms, @ 2.00; 5 doz. H. H. Tubs, @ 8.75; 10 gro. U. Ink, @ 6.00, less 10%; 6 doz. B. Baskets, @ 7.50; 2 doz. No. 10 F. Dusters, @ 20.00, less 35%.

Receive from F. E. Warren a draft on New York for Invoice Oct. 3, 129.51, less 2%.

Your note due to-day at College Bank, charged to your %.

18. Pay Clerks' salaries in full to date, in cash, 87.75.

Deposit in College Bank, cash, 400.00.

Give Hood & Meyers your check on College Bank for Invoice Oct. 15, 178.65, less 5%.

H. G. Fuller makes an additional cash investment of 1000.00.

Receive Mdse. from F. M. Reed per Invoice Oct. 14, on 90 days, 1240.94.

Sell Ralph Richardson, Oneida, 20 gro. G. Matches, @ 2.70; 4 doz. 12 inch B. Bowls, @ 1.75; 6 doz. N. D. Z. Washboards, @ 2.50; 2 doz. No. 1 O. C. Trays, @ 5.00; 4 doz. H. H. Tubs, @ 8.75. Receive his note at 10 days, payable at College Bank, 50.00; balance on %, 60 days. (*S. B., J. and B. B.*)

NOTE.—Richardson being debited in the Sales Book 121.00, and credited in the Journal 50.00, when these entries shall have been posted, the difference in his account will show the balance still due.

Receive cash for a note due to-day.

Sales per cash drawer, 228.79.

19. Receive cash from Welch & Dow for Invoice Oct. 9, 94.10, less 1%.

Sell Wm. Gardner, for cash, 3½ doz. Maud S. Halters, @ 7.50; 4 doz. Curry Combs, @ 1.50; 2 doz. Curry Cards, @ 1.25; 2½ doz. Horse Brushes, @ 6.00.

20. Receive Mdse. from Tilden & Breme, Oswego, per Invoice Oct. 17, on 60 days, 498.40.

Deposit Cash in College Bank, 1000.00.

Sales per cash drawer, 88.45.

Buy for cash, a New York draft at ¼ % exchange, and remit to Byron Vaile for Invoice Oct. 7, 376.88, less 5%.

Pay cash for cartage, 8.35.

You may now balance the Cash Book. The footings of the columns on the debit side of the Cash Book should be as follows: Sundries, 7742.86; Mdse., 684.19; Bills Receivable, 581.75; Discount, 67.19. On the credit side Sundries, 3078.98; Expense, 99.75; Discount, 8.07. Prove the cash; see 34-37, page 127. In Safe, 422.99; in Bank, as shown by Check Book, 5463.20.

Next post and take a trial balance, in accordance with the directions given at the end of the first ten days' business on pages 134 and 138. In posting to Cash account, enter on the credit side 262.86, the payments of cash having exceeded the receipts by that amount since the last posting. See 31-33, page 127.

Remember to place all new accounts in the Index as soon as opened in the Ledger. Add new accounts to the trial balance, as shown on page 135.

After completing the trial balance, continue the work as before.

OCTOBER, 188—.

21. Accept Lorrain Manufacturing Co.'s draft on you in favor of themselves, at 1 day sight, payable at College Bank, 100.00.

Deposit cash in College Bank, 200.00.

Sell Frank Goodspeed, 1 gro. Tytler's Axle Grease, @ 9.00; 2 gro. K. Bluing, @ 8.00; 100 Grain Bags, @ 22c. ea.; 2 M No. 4 Paper B. Dishes, @ 5.50, less 20%.

Your note due to-day charged in at College Bank.

22. Receive Mdse from Byron Vaile per Invoice Oct. 19th, on 90 days, 975.00.
Receive of W. & E. Morgan their note at 60 days, endorsed by Thos Field, payable at Traders' Bank, on $\frac{1}{2}\%$, 500.00.

NOTE.—Draw up this note on foolscap paper. See Business Forms on last pages, for illustration of note with Endorser.

Receive of S. M. Smith, his check on Flower City Bank, in payment of Invoice Oct. 16, 82.00.
Sales for cash, per drawer, 209.14.

23. Sell S. M. Smith, 4 doz. Mouse Traps, @ 50c.; 6 doz. Taylor Mops, @ 1.50; $\frac{1}{2}$ doz. Novelty C. Wringers, @ 45.00; $\frac{1}{3}$ doz. No. 14 F. Dusters, @ 30.00, less 25 and 10 $\frac{1}{2}\%$.

Receive cash for a note due to-day.

Receive F. E. Warren's check on Farmers' Bank, New Rochelle, for Invoice Oct. 14, 87.50, less 2 $\frac{1}{2}\%$.

Hackett & Brisbain return for credit 2 doz. F. Dusters from Invoice 17th inst.

24. Remit Scovell, Hodges & Co. a New York draft, which you will purchase by check on College Bank, at $\frac{1}{4}\%$ exchange, in payment of Invoice Oct. 9, 136.27, less 2 $\frac{1}{2}\%$.

NOTE.—Write the above draft on foolscap paper, and procure from the teacher blank letter sheet and envelope, and write to Scovell, Hodges & Co., enclosing the above remittance. See page 77, also Business Forms on last pages of text book for illustrations. In folding the letter, fold it first from the bottom to one-half its length, or as far as is necessary to fit the length of the envelope, and then fold from the side to one-third its width, or as far as is necessary to fit the width of the envelope.

Sales for cash, per drawer, 115.00.

Deposit in College Bank Currency, 500.00 and Warren's check, 85.75. The bank deducts 25c. for collection of check.

25. Sell F. E. Warren 10 doz. C. Brooms, @ 3.50; 5 doz. H. H. Tubs, @ 8.75; 8 doz. C. K. Trays, @ 4.50; 10 doz. qts. University Ink, @ 6.00, less 12 $\frac{1}{2}\%$; 5 doz. C. C. Lines, @ 2.00; 10 doz. B. Baskets, @ 7.50; 200 Grain Bags, @ 20 c. ea.; 1 $\frac{1}{2}$ doz. No. 14 F. Dusters, @ 30.00, less 25 and 10 $\frac{1}{2}\%$; 25 Nests F. Pails, @ 1.25; 5 doz. W. C. Baskets, @ 9.00.

Your acceptance due to-day, charged in at College Bank.

Receive Mdse. from Hopkins & Weeks per Invoice Oct. 20th, on 60 days, 1863.66.

Receive of Cowles & Hutchings their check on Exchange Bank, 200.00, for payment on their note of 600.00, due to-day. They renew the balance by giving a note at 30 days, with interest.

NOTE.—Credit Bills Receivable in Cash Book, 200. Enter the new note of 400.00 in Bill Book, and opposite old note in Bill Book state how it was disposed of.

Memorandum: Procure from the teacher letter sheet and envelope, and write to Tilden & Breme, Oswego, ordering the following Mdse.: 25 doz. No. 1 O. C. Trays, 25 doz. B. Baskets, 15 doz. Barrel Covers, 20 doz. H. H. Tubs, 20 doz. Com. H. Tubs, 5 doz. Novelty C. Wringers, 50 doz. "Gem" Paper Pails, 30 doz. "Queen" Paper Pails. (*See Business Forms on last pages for illustrations.*)

27. Receive from F. Goodspeed cash for Invoice Oct. 14, 91.25, less 2 $\frac{1}{2}\%$.

W. & E. Morgan present Lorrain Mfg. Co.'s sight draft on you for 100.00, which you pass to the credit of their account.

Sales for cash, per drawer, 227.09.

Sell Ralph Richardson 5 doz. N. D. Z. Washboards, @ 2.50; 10 doz. B. Brooms, @ 2.00; 5 doz. C. H. Tubs, @ 7.42; 1 $\frac{1}{2}$ doz. No. 12 F. Dusters, @ 26.50, less 30 and 5 $\frac{1}{2}\%$; 1 doz. Novelty C. Wringers, @ 45.00; 50 Grain Bags, @ 22c.

Give S. W. Siddons your check on College Bank, to apply on $\frac{1}{2}\%$, 100.00.

Get W. & E. Morgan's note of 500.00, received 22d inst., discounted at College Bank; proceeds placed to your credit. (*C. B., Ck. B. and B. B.*)

NOTE.—Debit Interest Account for the discount on the above note to avoid entering it in the discount column, which is intended for the discount on prepayment of Invoices of Mdse. only.

Pay Gas Bill to date in cash, 5.40.

Receive Mdse. from Tilden & Breme per Invoice Oct. 26, on 60 days, 1248.17.

28. Receive from F. E. Warren a draft on New York for Invoice Oct. 25, 398.87, less 2 $\frac{1}{2}\%$.

Sales for cash, per drawer, 74.25.

28. Deposit cash in College Bank, 1000.00.

Remit F. M. Reed a draft on Boston, which you will purchase at College Bank by check, at $\frac{1}{4}\%$ exchange, in payment of Invoice Oct. 14, 1240.94, less $2\frac{1}{2}\%$.

Receive of Cowles & Hutchings to apply on their note of Oct. 25, cash, 200.00.

NOTE.—Draw up this note on foolscap paper, and make the proper indorsement. See Business Forms on last pages for illustration of note with indorsement.

Your acceptanete due to-day, charged in at College Bank.

29. Sell Hackett & Brisbain, 4 gro. D. S. Polish, @ 6.00; 3 doz. U. Ink, @ 6.00, less 10%; 12 doz. R. S. Dressing, @ 1.00.

Receive of Ralph Richardson cash for balance due on Invoices of Oct. 18 and Oct. 27, 223.03, less 2%.

30. Sales for cash, per drawer, 319.32.

Deposit cash in College Bank, 450.00.

Sell Larkin & Sprong 10 doz. Paper Pails, @ 5.50; 360 lbs. $\frac{1}{2}$ -inch Manilla Rope, @ 16c.; 10 doz. Potato Mashers, @ 75c.; 5 Oil Tanks, @ 16.00, less 25%; 10 doz. Barrel Covers, @ 5.00; 5 doz. Bush. Baskets, @ 7.50; 3 M Crown Butter Dishes, @ 6.00, less 20%; 4 doz. No. 10 F. Dusters, @ 20.00, less 25 and 10 and 5%.

31. Remit Tilden & Breme a draft on New York, which you will purchase at College Bank by check, at $\frac{1}{4}\%$ exchange, in payment of Invoices Oct. 17 and Oct. 26, 1746.57, less $3\frac{1}{2}\%$.

College Bank has collected Eaton's note due yesterday, and placed same to your credit less cost of collection, 25c.

Receive of Cowles & Hutchings, to balance $\frac{9}{16}\%$, cash 856.14 and their note endorsed by D. W. Powers, at 4 months, payable at Exchange Bank, with interest, 1000.00.

Receive cash of Hackett & Brisbain for Invoice Oct. 17, 218.75, less Mdse. returned for credit Oct. 23, 26.00, and 2% of balance.

Receive cash of W. & E. Morgan, to balance $\frac{9}{16}\%$, 614.66.

Sell Wm. Gardner, 30 days, 3 doz. Curry Combs, @ 1.50; 4 doz. H. Brushes, @ 6.00; 2 doz. Maud S. Halters, @ 7.50.

Pay clerks' salaries in full to date, 85.50.

Deposit cash in College Bank, 2000.00.

Make an entry for the interest upon the following transactions as provided for in the copartnership agreement: H. G. Fuller drew for private use, Oct. 16, 300.00. Student drew for private use, Oct. 12, 500.00. H. G. Fuller made an additional investment, Oct. 18, 1000.00. (J.)

NOTE.—⁴⁶ Debit each partner interest upon amounts drawn out by him from the time of such withdrawal to the time of settlement, and credit him interest upon amounts invested by him from the time of such investment to the time of settlement. ⁴⁷ It is unnecessary to compute interest upon the original investments when they are equal, as in this case, because the interest balance to each partner's account would not be affected thereby.

INVENTORIES, OCTOBER 31, 188—.

MERCHANDISE—per Inventory Book,	7968 33
EXPENSE—Office Safe,	200 00

You may now prove the cash and balance the Cash Book. In Safe, 267.46; In Bank, 6131.00. The footings of the columns on the debit side of the Cash Book should be as follows: Sundries, 8432.39; Mdse, 944.80; Bills Receivable, 1285.50; Discount, 95.56. On the credit side, Sundries, 4240.95; Expense, 98.96; Discount, 19.88.

⁴⁸ It is customary, in business, to prove the cash every day, ⁴⁹ not necessarily closing the Cash Book, as the columns may be footed in pencil, and the proof taken upon a separate sheet.

After posting take a trial balance and make a statement giving the results of the business, as shown in the form on page 135, after which close and rule up all the Ledger accounts. Before closing the Mdse. account close Discount account into it. Discount is only kept here as a separate account to enable us to determine the amount of allowances upon invoices prepaid. If this information were not desired, Mdse. might be debited and credited for the allowances at the time of making them.

QUESTIONS FOR REVIEW.

Page 126.—¹ What is this set designed to illustrate? ² What advantages are derived from the methods illustrated, and how obtained? ³ For what purpose might it be necessary to change the forms of books as here used, and how could the change be made?

Page 127.—⁴ What is the peculiar feature of the Journal as used in this set? ⁵ In what way is the combination of the two books effected? ⁶ Explain the use of the extra column. ⁷ How is it posted? ⁸ How are the items in the Sundries column posted? ⁹ What disposition is made of the Invoices? ¹⁰⁻¹¹ If pasted in an Invoice Book, how may this book be used? ¹² Explain the use of the Sales book. ¹³ What disposition is made of the net amount of each sale? ¹⁴ What course is pursued with the last column? ¹⁵ How posted? ¹⁶ How may an additional advantage be secured from the Sales Book? ¹⁷ Explain the use of the Check Book. ¹⁸ Is it necessary to open a bank account in the Ledger? ¹⁹ What entry is made for a deposit? ²⁰ How does this debit the bank? ²¹ What entry is made when a check is drawn? ²² How does this credit the bank? ²³ Is an entry to be made in the Cash Book when cash is deposited? ²⁴ Why not? ²⁵ When checks are drawn upon the bank, in what other book beside the Check Book is the entry made? Why? ²⁶ Explain the use of the Cash Book. ²⁷ How arranged? ²⁸ For what purpose? ²⁹ How are the special columns posted? ³⁰ How are the items in the Sundries columns posted? ³¹ How is the cash posted? ³² How posted if the balance of cash is less than at the last posting? ³³ How if more? ³⁴ How is the total debit of cash found? ³⁵ The total credit? ³⁶ What will the difference show? ³⁷ How is the cash on hand found? ³⁸ How is the Bill Book to be kept in this set? ³⁹ Can it be kept as a principal book? Why is it not usually so kept? ⁴⁰ What name is given to the trial balance used in this set? ⁴¹ What advantage is derived from its use? ⁴² Describe a convenient form for a Ledger Index. ⁴³ When the number of accounts is large, what form of Index is generally used?

Page 141.—⁴⁴ How frequently is the cash proved in business? ⁴⁵ How may it be proved without closing the Cash Book? ⁴⁶ How is the interest account between the partners adjusted? ⁴⁷ When the original investments are equal why is it unnecessary to compute interest upon them?

NOTE.—Should the teacher consider it desirable the student may be required to draw up all of the papers and forms in the foregoing memoranda. In the absence of an actual business department especially, it would be best to make such a requirement.

Excellent drill for the student could also be secured by requiring him to continue the foregoing business for ten or twenty days longer, *originating his own transactions*. If this plan were pursued, an amount would have to be assumed for a Mdse. inventory at the time of closing the books.

RETAILER'S BOOKS,

(DOUBLE ENTRY,)

DESIGNED FOR RETAIL GROCERIES, MARKETS, SHOPS, ETC.

The following arrangement of books and records is designed to illustrate a popular system of book-keeping for a retail business. While it does not strictly conform to the principles of Double Entry book-keeping, inasmuch as the Merchandise account is not made to show all of the purchases and sales, yet the final results are just as accurate, and are obtained at a great saving of time and labor.

² The books required are an Order Book, Cash Book, Journal, Personal Ledger and Ledger. The Order Book and Personal Ledger are used as auxiliary books; the others as principal.

The ³ Order Book is a cheap, coarse book, made usually with a page about twelve inches long and five inches wide, and lies upon the counter. In it are entered the orders as they are received during the day. ⁴ Goods to be delivered, that are paid for when ordered, are entered regularly in the Order Book, and the word "Paid" written across the order. ⁵ If not paid, the items are entered in the purchaser's account in the Personal Ledger at the close of the day's business.

⁶ The Cash Book does not differ from the form already illustrated, and is used as a principal book. It need not be closed oftener than once a week, or once a month. The first column on the debit side is devoted to cash sales of Mdse.

⁷ The Journal contains all entries excepting those made in the Cash Book. ⁸ The Journal may be dispensed with by using the Cash Book as illustrated in the Cash Method, on pages 110-111.

⁹ The Personal Ledger contains accounts with customers only, and is entirely an auxiliary book.

¹⁰ Sales on account are regarded as merchandise on hand until the accounts are paid, at which time Merchandise is credited with such payments. ¹¹ The ordinary Journal ruling is considered preferable for a Personal Ledger of this character, as it affords more room for items. ¹² All statements may be made out from the Personal Ledger without referring to any other book.

¹³ The Ledger is used as in any other business.

The student will be expected to post and take a Trial Balance at the end of the first week, and close the Ledger at the end of the second week. ¹⁴ The accounts in the Personal Ledger will have to be included in the inventory in closing the Merchandise account. ¹⁵ No Bank account will be kept in the Ledger. ¹⁶ The Cash Book will exhibit all cash in bank and on hand, as illustrated in the Wholesale Business on page 131. ¹⁷ You will credit Cash when a check is given, and make no entry for deposits, except in the Check Book.

Mrs J. H. Smith 18 Brown St

185-					
Nov	1	1 lb J Tea 50, 10 lb S. Sug 1 05, 1 gal N. O. Mol 45	2		
	2	5 bu Potatoes 3 00, 3 doz Eggs 54, 5 lb Butter 1 25	4	79	
			6	79	
	5	Cash			5
		5 plb Chicken 66, 10 B. Sug 90, 5 Mackl 40	1	96	
	5	3 " Crackers 30, 1 Lemon Ex 20		50	
		1 pkg Pepper 25, 2 gal N. O. 30		55	
	3	C. Fish 24, 10 A. C. Sug 1 00		24	
			11	04	
		Cash			5
					10
	8	1 pk S. Potatoes 50, 10 lb bag Salt 20		70	
		1 N. T. 50, 1 bbl Apples 2 00		2 50	
	8	Cash			4 54
			14	54	14 54
	9	10 lb S. Sug 1 05, 4 Chicken 45, 2 qt Oysters 60	2	13	
	11	1 bbl N. P. Flour 8 75, 2 R. Coffee 64	9	39	
			11	52	
	12	Cash			10

JOHN WILSON, 119 Fourth Street

188-					
Nov.	1	10 lbs. A. C. Sugar, 95; 4 1/2 C. Fish, 36	1	31	
		2 J. Coffee, 70; 5 gal. K. Oil, 75	1	45	
	3	Cash,	2	76	2 76
	4	4 lbs. Crackers, 40; 4 bu. Potatoes, 2 40	2	80	
		1 bag Salt, 20; 3 Raisins, 36		56	
	6	1 box Starch, 40; 2 cans Oysters, 60	1		
		1 bbl. Apples, 2 00; 1 cake Chocolate, 35	2	35	
			6	71	
	8	Cash,			5
	12	2 bas. Peaches, 2 40; 10 B. Sugar, 95; 1 pk. S. Potatoes, 60	3	95	

W. L. WOOD, 26 State Street.

188-					
Nov.	1	3 doz. Eggs, 60; 10 lbs. B. Sugar, 90	1	50	
		5 bu. E. R. Potatoes, 3 00; 2 W. Pails, 40	3	40	
	2	10 lbs. Butter, 2 50; 5 Chicken, 60; 10 A. C. Sugar, 95	4	05	
	4	10 G. Sugar, 1 05; 5 K. Oil, 75; 5 C. Fish, 40; 3 lbs. Crackers, 30	2	50	
			11	45	
	5	Cash,			10
	8	1 box Soap, 4 15; 1 pk. S. Potatoes, 50; 3 doz. Eggs, 60	5	25	
	11	2 J. Coffee, 70; 1 lb. J. Tea, 50; 1 N. P. Flour, 8 75	9	95	
			26	65	
	13	Cash,			10
					23

ORDER BOOK.

NOVEMBER 1, 188-.

Mrs. J. H. Smith, 18 Brown St.			
1 lb. Jap. Tea,	50		
10 " Gran. Sugar, 10½,	1.05		
1 gal. N. O. Molasses,	.45		
		2	
W. L. Wood, 26 State St.			
3 doz. Eggs,	20,	.60	
10 lbs. B. Sugar,	9,	.90	
5 bu. E. R. Potatoes, 60,	3.00		
2 W. Pails,	20,	.40	
		4	90
John Wilson, 119 Fourth St.			
10 lbs. A. C. Sugar,	9½,	.95	
4½ " C. Fish,	8,	.36	
2 " J. Coffee,	35,	.70	
5 gal. K. Oil,	15,	.75	
		2	76
A. C. Davis, 126 Tremont St.			
15 lbs. G. Sugar,	10½,	1.58	
10 " B. " "	9,	.90	
5 bu. Potatoes,	60,	3.	
5 lbs. L. Raisins,	13,	.65	
		6	13
B. J. Brown, 38 St. Paul St.			
1 lb. Y. H. Tea,		.48	
15 lbs. A. C. Sugar,	9½,	1.43	
5 " C. Fish,	8,	.40	
1 gal. S. H. Syrup,		.68	
		2	99
F. G. Ransom, 98 Spring St.			
10 lbs. A. C. Sugar,	9½,	.95	
5 bu. Potatoes,	60,	3.	
1 lb. Jap. Tea,		.50	
2 lbs. J. Coffee,	35,	.70	
		5	15
NOVEMBER 2, 188-.			
W. L. Wood, 26 State St.			
10 lbs. Butter,	25,	2.50	
5 " Chicken,	12,	.60	
10 " A. C. Sugar,	9½,	.95	
		4	05
Mrs. J. H. Smith, 18 Brown St.			
5 bu. Potatoes,	60,	3.	
3 doz. Eggs,	18,	.54	
5 lbs. Butter,	25,	1.25	
		4	79
D. Lucas, 10 Jones St.			
10 lbs. B. Sugar,	9,	.90	
5 bu. Potatoes,	60,	3.	
10 lbs. Butter,	25,	2.50	
		6	40
A. C. Davis, 126 Tremont St.			
10 lbs. Butter,	25,	2.50	
10 " A. C. Sugar,	9½,	.95	
1 " Jap. Tea,		.50	
		3	95
NOVEMBER 3, 188-.			
F. G. Ransom, 98 Spring St.			
10 lbs. Butter,	25,	2.50	
5 " Chicken,	12,	.60	
1 gal. K. Oil,		.15	
		3	25

ORDER BOOK.

NOVEMBER 3, 188-.

Mrs. J. H. Smith, 18 Brown St.			
5½ lbs. Chicken,	12,	.66	
10 " B. Sugar,	9,	.90	
5 " Mackerel,	8,	.40	
			1 96
D. Lucas, 10 Jones St.			
6 lbs. Chicken,	12,	.72	
5 doz. Eggs,	18,	.90	
2 Brooms,	25,	.50	
2 W. Pails,	25,	.50	
			2 62
B. J. Brown, 38 St. Paul St.			
1 Broom,		.25	
6 lbs. Chicken,	12,	.72	
10 " Gran. Sugar, 10½,	1.05		
			2 02
NOVEMBER 4, 188-.			
W. L. Wood, 26 State St.			
10 lbs. Gran. Sugar,	10½,	1.05	
5 gals. K. Oil,	15,	.75	
5 lbs. C. Fish,	8,	.40	
3 " Crackers,	10,	.30	
			2 50
John Wilson, 119 Fourth St.			
4 lbs. Crackers,	10,	.40	
4 bu. Potatoes,	60,	2.40	
1 bag Salt, 10 lbs.,		.20	
3 lbs. Raisins,	12,	.36	
			3 36
A. C. Davis, 126 Tremont St.			
1 box Pepper,		.25	
1 Ex. Lemon,		.20	
5 K. Oil,	15,	.75	
3½ lbs. Chicken,	12,	.42	
			1 62
D. Lucas, 10 Jones St.			
3 lbs. Crackers,	10,	.30	
2 " J. Coffee,	35,	.70	
2 gals. K. Oil,	15,	.30	
10 lbs. G. Sugar,	10½,	1.05	
			2 35
NOVEMBER 5, 188-.			
Mrs. J. H. Smith, 18 Brown St.			
3 lbs. Crackers,	10,	.30	
1 Lem. Extract,		.20	
1 box Pepper,		.25	
2 gals. K. Oil,	15,	.30	
3 lbs. C. Fish,	8,	.24	
10 " A. C. Sugar,	10,	1.	
			2 29
B. J. Brown, 38 St. Paul St.			
5 bu. Potatoes,	60,	3.	
3 lbs. J. Coffee,	35,	1.05	
5 " Butter,	25,	1.25	
			5 30
F. G. Ransom, 98 Spring St.			
1 box Pepper,		.25	
10 lbs. G. Sugar,	10½,	1.05	
2 Brooms,	25,	.50	
2 W. Pails,	20,	.40	
			2 20

CASH BOOK.

NOVEMBER, 188—.

Nov.	1	Expense,	Iron Safe,	100			
	"	"	Horse, 125; Harness, 12,	137			
	"	"	Wagon,	60			
	"	"	P. Scales, 35; C. Scales, 26,	61			
	"	"	Office Books,	7			
	"	Mdse.	Invoice of S. P. & Co.	672	27		
	3	"	Vegetables, Poultry, etc.	39	84		
	"	Student,	Private use,	10			
	4	Mdse.	Vegetables, Poultry, etc.	36	24		
	"	"	Crackers, etc., J. Howe & Son,	38	92		
	"	Expense,	Hay, Oats, etc.	28	75		
	5	"	Insurance,	15			
	"	"	Horseshoeing,	2	50		
	6	"	Stuart & Co., Carpenter Work,	26	50		
	"	Student,	Private use,	15			
	"	Expense,	J. Dunn, 10; R. H. King, 12,	22			
		Balance,				1272	92
						1623	75
						2895	77

MEMORANDA OF TRANSACTIONS.

[NOT TO BE COPIED.]

NOVEMBER 1, 188—.

I have commenced a Retail Grocery and Provision Business this day, in the store No. 294 Main Street, leased of J. A. Reed for five years, at \$600.00 per year.

Appropriated as capital 2500.00, as shown by a pass book containing a credit to my account at First National Bank. (*C. B.*, pages 146-147.)

At the close of the first day's business I find upon the desk memoranda of business transacted as follows:

Received bills for an Iron Safe, 100.00; Horse, 125.00; Harness, 12.00; Wagon, 60.00; Platform Scales, 35.00; Counter Scales, 26.00; and Office Books, 7.00; purchased by check. (*C. B.*)

An invoice of Groceries, Wooden Ware, etc., purchased of Smith, Perkins & Co., City, amounting to 725.80. The terms of purchase are 6 months, or 5 and 2½ off for cash. Paid by check. (*C. B.*)

An invoice of Groceries, Provisions, Canned Goods, etc., purchased of H. A. Brewster & Co., City amounting to 1087.50. Terms, 10 days. (*J.*, page 146.)

NOTE.—In a business of this character considerable merchandise in the form of fruit, vegetables, etc., is daily purchased of gardeners, and paid for out of the cash drawer. In such case no entry is necessary, as the merchandise purchased replaces other goods sold, for which this cash was received.

An exchange of goods from the store for fruit, vegetables, etc., a balance being paid or received in cash, is also a common transaction, and requires no entry, for the reason indicated above. A balance received would increase the drawer cash and be entered as a sale at the end of the day, and a balance paid would reduce the amount of drawer sales, in effect showing a purchase of goods.

The following charges are found on the Order Book: Mrs. J. H. Smith, 18 Brown St., 1 lb. Japan Tea, 50c.; 10 lbs. Gran. Sugar, @ 10½c.; 1 gal. N. O. Molasses, 45c. W. L. Wood, 26 State St., 3 doz. Eggs, @ 20c.; 10 lbs. B. Sugar, @ 9c.; 5 bu. E. R. Potatoes, @ 60c.; 2 W. Pails, @ 20c. John Wilson, 119 Fourth St., 10 lbs. A. C. Sugar, @ 9½c.; 4½ lbs. C. Fish, @ 8c.; 2 lbs. Java Coffee, @ 35c.; 5 gals. K. Oil, @ 15c. A. C. Davis, 126 Tremont St., 15 lbs. Gran. Sugar, @ 10½c.; 10 lbs. B. Sugar, @ 9c.; 5 bu. Potatoes, @ 60c.; 5 lbs. L. Raisins, @ 13c. B. J. Brown, 38 St. Paul St., 1 lb. Y. H. Tea, 48c.; 15 lbs. A. C. Sugar, @ 9½c.; 5 lbs. C. Fish, @ 8c.; 1 gal. S. H. Syrup, 68c. F. G. Ransom, 98 Spring St., 10 lbs. A. C. Sugar, @ 9½c.; 5 bu. Potatoes, @ 60c.; 1 lb. Jap. Tea, 50c.; 2 lbs. Java Coffee, @ 35c. (*O. B.* and *P. L.*, pages 144 and 145.)

NOTE.—Give each account in the Personal Ledger a whole page.

Cash sales, shown by cash in drawer, 28.45. (*C. B.*)

NOVEMBER 2, 188—.

At the close of this day's business I find the following memoranda upon the desk:

Invoice of Provisions, Wooden Ware, etc., bought of Geo. C. Buell & Co., at 30 days, amounting to 327.50. (*J.*)

I also find upon the Order Book the following: W. L. Wood, 26 State St., 10 lbs. Butter, @ 25c.; 5 lbs. Chickens, @ 12c.; 10 lbs. A. C. Sugar, @ 9½c. Mrs. J. H. Smith, 18 Brown St., 5 bu. Potatoes, @ 60c.; 3 doz. Eggs, @ 18c.; 5 lbs. Butter, @ 25c. D. Lucas, 10 Jones St., 10 lbs. B. Sugar, @ 9c.; 5 bu. Potatoes, @ 60c.; 10 lbs. Butter, @ 25c. A. C. Davis, 126 Tremont St., 10 lbs. Butter, @ 25c.; 10 lbs. A. C. Sugar, @ 9½c.; 1 lb. Jap. Tea, 50c. (*O. B. and P. L.*)

Cash sales for the day, 27.90. (*C. B.*)

NOVEMBER 3, 188—.

At the close of business this day I find the following memoranda upon the desk:

Slip on a spindle showing that I have purchased Vegetables, Poultry, Butter, etc., of a farmer, by check, to the amount of 39.84. (*C. B.*)

NOTE.—An entry should be made of this transaction, as omitting it would cause a deficiency in cash. Only such merchandise as is paid for out of the drawer with the proceeds of current sales should be omitted.

The following orders are found upon the Order Book: F. G. Ransom, 98 Spring St., 10 lbs. Butter, @ 25c.; 5 lbs. Chickens, @ 12c.; 1 gal. K. Oil, 15c. Mrs. J. H. Smith, 18 Brown St., 5½ lbs. Chickens, @ 12c.; 10 lbs. B. Sugar, @ 9c.; 5 lbs. Mackerel, @ 8c. D. Lucas, 10 Jones St., 6 lbs. Chickens, @ 12c.; 5 doz. Eggs, @ 18c.; 2 Brooms, @ 25c.; 2 W. Pails, @ 25c. B. J. Brown, 38 St. Paul St., 1 Broom, 25c.; 6 lbs. Chickens, @ 12c.; 10 lbs. G. Sugar, @ 10½c. (*O. B. and P. L.*)

The cash sales for the day have been 48.90, which includes amounts paid in on account by Mrs. J. H. Smith, 5.00; John Wilson, to balance $\frac{1}{2}$, 2.76; and A. C. Davis, 5.00. (*C. B. and P. L.*)

NOTE.—Foot Wilson's account and rule it up. See Mrs. J. H. Smith's account, page 144.

I have appropriated 10.00 cash, and goods from the store amounting to 6.50, to my private use. (*C. B. and J.*)

NOVEMBER 4, 188—.

The following memoranda was found upon the desk at the close of this day: A slip showing that I have bought Vegetables, Poultry, Butter, etc., of farmers, by checks, amounting to 36.24. An invoice of Crackers from J. Howe & Son, 38.92; paid by check. A bill of 28.75 for Hay, Oats and Straw, for horse; paid by check. (*C. B.*)

I find the following upon the Order Book: W. L. Wood, 26 State St., 10 lbs. G. Sugar, @ 10½c.; 5 gals. K. Oil, @ 15c.; 5 lbs. C. Fish, @ 8c.; 3 lbs. Crackers, @ 10c. John Wilson, 119 Fourth St., 4 lbs. Crackers, @ 10c.; 4 bu. Potatoes, @ 60c.; 1 bag Salt, 10 lbs., 20c.; 3 lbs. Raisins, @ 12c. A. C. Davis, 126 Tremont St., 1 box Pepper, 25c.; 1 Lemon Ext., 20c.; 5 gals. K. Oil, @ 15c.; 3½ lbs. Chicken, @ 12c. D. Lucas, 10 Jones St., 3 lbs. Crackers, @ 10c.; 2 lbs. J. Coffee, @ 35c.; 2 gals. K. Oil, @ 15c.; 10 lbs. G. Sugar, @ 10½c. (*O. B. and P. L.*)

Received payments from the following customers on $\frac{1}{2}$, shown by slips on a spindle: D. Lucas, 10.00; F. G. Ransom, in full, 8.40 (rule up his account); A. C. Davis, 6.00.

Cash sales for the day, 67.92, which, added to payments on $\frac{1}{2}$, make the entire credit to Mdse. for the day, 92.32. (*C. B. and P. L.*)

NOVEMBER 5, 188—.

At the close of this day I find the following memoranda on the desk: Invoice of Groceries, from Geo. C. Buell & Co., 117.50; terms, 30 days. (*J.*) Invoice of Groceries, from H. A. Brewster & Co., 63.18; terms, 10 days. (*J.*) A Policy of Insurance on stock and fixtures of 1500.00; Premium, 1%, paid by check. (*C. B.*) Receipted bill for Shoeing Horse, 2.50. (*C. B.*)

The following is found on the Order Book: Mrs. J. H. Smith, 18 Brown St., 3 lbs. Crackers, @ 10c.; 1 Lem. Ext., 20c.; 1 pkg. Pepper, 25c.; 2 gals. K. Oil, @ 15c.; 3 lbs. C. Fish, @ 8c.; 10 lbs. A. C. Sugar, @ 10c. B. J. Brown, 38 St. Paul St., 5 bu. Potatoes, @ 60c.; 3 lbs. J. Coffee, @ 35c.; 5 lbs. Butter, @ 25c. F. G. Ransom, 98 Spring St., 1 pkg. Pepper, 25c.; 10 lbs. Gran. Sugar, @

10½c.; 2 Brooms, @ 25c.; 2 W. Pails, @ 20c. P. J. Warner, 19 Wood St., 1 lb. Jap. Tea, 60c.; 10 lbs. G. Sugar, @ 10½c.; 1 gal. K. Oil, 15c.; 5 lbs. Crackers, @ 10c.; 5 bu. Potatoes, @ 60c. (*O. B. and P. L.*)

The following customers paid on $\frac{1}{2}\%$: Mrs. J. H. Smith, 5.00, and W. L. Wood, 10.00. Cash sales, per drawer, 77.25, with payments on $\frac{1}{2}\%$ added make entire credit to Mdse. 92.25. (*C. B. and P. L.*)

NOVEMBER 6, 188—.

The following memoranda is found upon the desk at the close of this day's business: Receipted bill of Stuart & Co., for carpenter work on counters and bins, of 26.50; paid by check. (*C. B.*)

Slips in the cash drawer showing that I have appropriated 15.00 cash and 9.80 in goods from the store, and that I have paid J. Dunn and R. H. King, clerks, 10.00 and 12.00 respectively, for salaries for week. (*C. B. and J.*)

Cash sales, shown by cash and slips in drawer, 105.95.

I find the following unpaid orders upon the Order Book: John Wilson, 119 4th St., 1 box Starch, 6 lbs., 40c.; 2 cans Oysters, @ 30c.; 1 bbl. Apples, 2.00; 1 cake Chocolate, 35c. D. Lucas, 10 Jones St., ½ lb. Pepper, @ 30c., 15c.; 1 pk. Sweet Potatoes, 50c.; 5½ lbs. C. Fish, @ 8c. 1 Lem. Ext., 20c.; 1 10-lb. bag Salt, 20c. L. J. Seymour, 19 Beach St., 3 doz. Eggs, @ 18c.; 2 cans Oysters, @ 30c.; 4 lbs. Crackers, @ 10c.; 2 bu. Potatoes, @ 60c. F. Woodbury, 16 Locust St., 2 Brooms, @ 25c.; 3 bu. Potatoes, @ 60c.; 5½ lbs. Chicken, @ 12c.; 4 lbs. Crackers, @ 10c.; 1 bbl. Apples, 2.00. (*O. B. and P. L.*)

NOTE.—You will now close the Cash Book, post and take a Trial Balance. Give each account one-fourth of a page space. Balance of cash, as shown by Cash Book, 1623.75.

NOVEMBER 8, 188—.

The following memoranda appear upon the desk at the close of this day: Receipted bill for a ton of Coal for use of store, 5.75; paid by check. Bill of W. Moran for Stove, Coal Hod, etc., bought on $\frac{1}{2}\%$, 41.50. Invoice of goods bought of H. A. Brewster & Co., at 10 days, amounting to 217.50. Horse bought for use of store, by check, 85.00.

The following appear upon the Order Book: Mrs. J. H. Smith, 18 Brown St., 1 pk. S. Potatoes, 50c.; 1 10-lb. bag Salt, 20c.; 1 W. Tub, 80c.; 1 bbl. Apples, 2.00. W. L. Wood, 26 State St., 1 box Soap, 4.15; 1 pk. S. Potatoes, 50c.; 3 doz. Eggs, @ 20c. B. J. Brown, 38 St. Paul St., 5 lbs. L. Raisins, @ 13c.; 1 bbl. Apples, 2.00; 1 lb. Jap. Tea, 50c.; 1 Lem. Ext., 20c. A. C. Davis, 126 Tremont St., 1 W. Tub, 80c.; 10 lbs. A. C. Sugar, @ 10c.

The following amounts were paid on $\frac{1}{2}\%$: Mrs. J. H. Smith, in full, 4.54; John Wilson, 5.00; B. J. Brown, 10.00. Cash sales, including payments on $\frac{1}{2}\%$, 93.82.

NOVEMBER 9, 188—.

Paid for new Harness by check, 24.00. Paid cash for building Coal Bin, 2.00, and for Lumber for same, 1.75.

Order Book: D. Lucas, 10 Jones St., 3 doz. Eggs, @ 20c.; 10 lbs. B Sugar, @ 9c.; 1 box Soap, 4.15; 2 lbs. L. Raisins, @ 12c. P. J. Warner, 19 Wood St., 1 pk. S. Potatoes, 50c.; 1 W. Tub, 80c.; 10 lbs. B Sugar, @ 9c.; 6 lbs. Chickens, @ 12c.; 1 bbl. Apples, 2.00. L. J. Seymour, 19 Beach St., 1 bbl. N. C. Flour, 8.75; 1 pk. S. Potatoes, 50c.; 1 box Soap, 4.15. F. Woodbury, 16 Locust St., 3 lbs. L. Raisins, @ 13c.; 1 W. Tub, 80c.; 1 gal. N. O. Molasses, 45c.; 10 lbs. Gran. Sugar, @ 10½c. Mrs. J. H. Smith, 18 Brown St., 10 lbs. G. Sugar, @ 10½c.; 4 lbs. Chicken, @ 12c.; 2 cans Oysters, @ 30c.

Cash Sales, 93.18.

NOVEMBER, 10, 188—.

Drew 15.00 cash, for private use, and appropriated 14.60 in goods.

Order Book: F. G. Ransom, 98 Spring St., 1 box Soap, 4.15; 2 lbs. Coffee, @ 32c.; 1 W. Tub, 80c.; P. J. Warner, 19 Wood St., 1 Lem. Ext., 20c.; 10 lbs. A. C. Sugar, @ 10c.; 1 gal. N. O. Molasses, 45c.; 1 bbl. N. P. Flour, 8.75. B. J. Brown, 28 St. Paul St., 1 bbl. N. P. Flour, 8.75; 2 W. Pails, @ 20; 1 Basket, 18c. L. J. Seymour, 19 Beach St., 2 cans Oysters, @ 30c.; 1 Lem. Ext., 20c.; 4½ lbs. Chickens, @ 12c.; 10 lbs. G. Sugar, @ 10½c.

Payments on account, L. J. Seymour, 15.00; F. Woodbury, in full, 8.05; D. Lucas, 7.00; P. J. Warner, 20.00. Cash sales, including payments on account, 136.27.

NOVEMBER 11, 188—.

I find upon the desk the following: A receipted statement from H. A. Brewster & Co., of Invoice of 1st inst., paid by check, 1087.50.

Order Book: F. Woodbury, 16 Locust St., 1 bbl. N. P. Flour, 8.75; 1 pk. S. Potatoes, 50c.; 2 W. Pails, @ 20c. L. J. Seymour, 10 Beach St., 10 lbs. B. Sugar, @ 9½c.; 3 doz. Eggs, @ 20c.; 2 W. Tubs, @ 80c.; 1 bbl. Apples, 2.00. Mrs. J. H. Smith, 18 Brown St., 1 bbl. N. P. Flour, 8.75; 2 lbs. R. Coffee, @ 32c. W. L. Wood, 26 State St., 2 lbs. J. Coffee, @ 35c.; 1 lb. Jap. Tea, 50c.; 1 bbl. N. P. Flour, 8.75.

Payments on account, B. J. Brown, 10.00; F. G. Ransom, 5.00. Cash sales, including payments on accounts, 141.23.

NOVEMBER, 12, 188—.

Paid cash for graining counters and bins, 11.75. Bought Fruit, Poultry, &c., by check, 32.15.

Order Book: P. J. Warner, 19 Wood St., 1 bbl. Apples, 2.00; 1 basket Peaches, 1.50; 10 lbs. Concord Grapes, @ 4c.; 10 lbs. Gran. Sugar, @ 10½c. D. Lucas, 10 Jones St., 10 bu. Potatoes, @ 60c.; ½ bu. S. Potatoes, 1.20; 2 cans Oysters, @ 30c.; 4½ lbs. Chickens, @ 12c. John Wilson, 119 4th St., 2 baskets Peaches, @ 1.20; 10 lbs. B. Sugar, @ 9½c.; 1 pk. S. Potatoes, 60c. A. C. Davis, 126 Tremont St., 5 lbs. Chickens, @ 12c.; 2 cans Oysters, @ 30c.; 2 lbs. Crackers, @ 12c.; 2 baskets Peaches, @ 1.20; 2 bu. Potatoes, @ 60c.

Payment on account, Mrs. J. H. Smith, 10.00. Cash Sales, including payment, 168.83.

NOVEMBER 13, 188—.

Paid cash for Horseshoeing, 2.50; clerks' salaries for week, 10.00 and 12.00; Letter Heads and Envelopes, 2.00; and Postage, 30c.

Order Book: A. C. Davis, 126 Tremont St., 1 bbl. N. P. Flour, 8.75; 1 pk. S. potatoes, 60c.; 4½ lbs. C. Fish, @ 8c. F. G. Ransom, 98 Spring St., 6 lbs. Mackerel, @ 6½c.; 2 cans Oysters, @ 30c.; 1 bbl. Apples, 2.00; 3 lbs. L. Raisins, @ 13c. John Mead, 163 Smith St., 1 bbl. N. P. Flour, 8.75; 4 bu. Potatoes, @ 60c.; 1 can Oysters, 30c.; 2 lbs. Java Coffee, @ 36c.; 1 lb. Japan Tea, 60c.; 1 box Soap, 4.15; 1 bbl. Apples, 2.00.

Payments on account, A. C. Davis, 10.00; W. L. Wood, 10.00; John Mead, 15.00; B. J. Brown, in full, 2.99. Cash sales, including payments, 163.19.

Having now conducted the business two weeks, I have determined to close the accounts showing gains and losses, and ascertain the result of the venture.

RESOURCE INVENTORIES.

NOTE.—Since the sales of merchandise on account are not credited to Mdse. account when made, it is apparent that the balance of all the accounts in the Personal Ledger should be included in the Inventory.

MERCHANDISE—in Store,	1640 85
“ Personal Ledger:—F. Woodbury, 9.65; L. J. Seymour, 8.68; Mrs. J. H. Smith, 1.52; W. L. Wood, 6.65; John Wilson, 5.66; A. C. Davis, 7.25; F. G. Ransom, 6.17; D. Lucas, 10.09; P. J. Warner, 5.57; John Mead, 3.92,	65 16
	<hr/> 1706 01
EXPENSE—2 Horses, 310.00; 1 Wagon, 66.00; P. Scales, 35.00; C. Scales, 26.00; 2 Harnesses, 30.00; Hay, Oats, &c., 20.00,	487 00

LIABILITY INVENTORY.

EXPENSE—One-half Month's Rent unpaid, to be debited to Expense,	25 00
Net Gain. 100.30; Balance of Cash, 1128.57.	

QUESTIONS FOR REVIEW.

Page 143.—¹To what kind of business is this arrangement of books adapted? ²What books are required? ³Describe the Order Book. ⁴How are goods marked in the Order Book that are paid for when purchased? ⁵When are the entries in the Order Book posted? ⁶Describe the Cash Book. ⁷What does the Journal contain? ⁸How may the Journal be dispensed with? ⁹Describe the Personal Ledger. ¹⁰How are sales on account regarded? ¹¹Why is the ordinary Journal ruling preferable for a Personal Ledger? ¹²From what book will statements of customers' accounts be made? ¹³How is the Ledger used? ¹⁴How are the accounts in the Personal Ledger treated in closing the Ledger? ¹⁵Why is no Bank account in the Ledger necessary? ¹⁶What will the Cash Book exhibit if no Bank account is kept? ¹⁷How are deposits and checks entered?

MANUFACTURING.

The following arrangement of books is similar in all essential particulars to that of one of the most extensive furniture manufacturing firms in America, and was selected on account of its exceeding simplicity and completeness.

¹ The books required are a Sales Book, Cash Book, Journal and Ledger as principal books, and a Hands Register and Bill Book as auxiliaries.

In an extensive business a book called a Tiekler is sometimes kept to record the maturity of bills purchased on time on account. This book, as ordinarily used, contains columns for the date of the invoice, the purchaser's name, his address, the terms, the day of maturity, the amount and remarks. A number of pages are set aside for each month of the year, and all bills falling due in any month are entered in the space provided for that particular month.

² The Sales Book contains all sales on account, giving the articles, terms of sale and amounts.

³ The purchasers are debited direct from the Sales Book with the amount of each sale, ⁴ and Mdse. account is credited with the daily, weekly or monthly footing.

⁵ The Cash Book does not vary from the ordinary form, excepting that the debit column on the left hand page is devoted to the cash sales of merchandise. ⁶ All "Regular" bills described in the Memoranda, have four months to run; but if the purchaser chooses to settle within thirty days, he is allowed a discount. ⁷ Instead of crediting the purchaser's account in the Cash Book with the net amount of cash received, and in the Journal with the discount, the purchaser is credited in the Cash Book for the entire amount of the settlement and Discount account is debited for the discount, on the other side of the Cash Book. See Cash Book, pages 152-3. ⁸ Mdse. account is credited with the footing of the Mdse. column in the Cash Book, whenever the Cash Book is balanced. ⁹ The cash should be proved every day in pencil, but the Cash Book need not be balanced oftener than once each week.

¹⁰ The Journal contains only entries that cannot properly be made in the other books.

¹¹ The Hands Register contains the weekly earnings of, and payments to, all employees. A column is ruled at the extreme left of the left hand page for the names of the hands, and the remainder of the page is divided into as many double money columns, Dr. and Cr., as the size of the book will permit, similar to the Continued Trial Balance. The employees' time is "made up" from the Foreman's time-book, and the amount due each is entered in the first vacant Cr. Column opposite his name. When they have been paid, the amount each has received is placed in the first Dr. column opposite his name, thus balancing the column. The footing of the H. R. is entered to Labor account on the right hand side of the Cash Book.

In this set the entire investment is credited to Stock, as explained in the note at the bottom of page 44.

DECEMBER, 188—.

DATE.		Folio.		MDSE.	SUNDRIES.
Dec.	1	50	Stock,		211 14
			Cash in Safe,		
			Bill to J. Smith, Chamber Suit,	36	
			" Mrs. Wood, Pat. Rocker,	22	
			" W. Brown, Parlor Suit,	144	
	2	51	C. A. Graves,	202	1436 85
			Reg. bill of Nov. 3, less disct.		
			Bill to B. Jones, Pat. Rocker,	22	
			Walt H. Raek,	28	
			Bunch of Cane,	80	
				252 80	

DECEMBER 1, 188—.

Folio.		Resources of C. J. Huntington & Co.			
Sundries,	To Stock,			14813	12
Real Estate,				42000	
	Manufactory, 18000; Warehouse, 24000.				
Merchandise,				78950	
	Manufactured, 47,500; Lumber, 28,000;				
	Hardware, 1400; Fabrics, etc., 1700;				
	Varnishes, Oils, etc., 350.				
Machinery and Tools,				9000	
Office Fixtures,	Safe, Desks, etc.			850	
First National Bank,	On deposit,			4486	84
Bills Receivable,				3987	65
	J. L. Brown's note, with int. per B. B., 865.				
	S. H. Parker's " " " 950.				
	D. M. Willard's " " " 1744.50				
	J. B. Andrews' " " " 428.15				
Interest,	On above notes to date,			39	79
C. A. Graves,	Bill of Nov. 3.	R.		1436	85
E. S. Smith,	" " 5.	"		1153	85
E. S. Smith,	" " 5.	Net.		217	43

NOTE.—You will complete this entry and continue the Journal entries as illustrated above.

HANDS REGISTER.

	DECEMBER 6.		DECEMBER 13.		DECEMBER 20.	
	DR.	CR.	DR.	CR.	DR.	CR.
Neir,	10	50	10	50		
Brown,	11	75	11	75		
Wilson, J.	12	80	12	80		
Wilson, D.	6	50	6	50		
Meyer,	16	90	16	90		
Johnson,	5		5			
Lyman,	8	30	8	30		
Mosier,	14	50	14	50		
Thayer,	14	50	14	50		
Pease,	12	25	12	25		
Bartlett, Foreman,	25		25			
Hyatt, Book-keeper,	30		30			
Morey, Ass't Book-keeper,	8		8			
Hackett, Salesman,	18		18			
Pomeroy, "	20		20			
	214		214			

CASH BOOK.

DECEMBER, 188—.

DATE.	Folio.		SUNDRIES.	TOTAL.
Dec.	2	53		
"	"	54		
		Discount,	C. A. Graves, 5% on 1436.85,	71 84
		Mdse.	3500 ft. Wal't, @ 70,	245
NOTE.—Continue the entries in the Cash Book as here illustrated.				

SALES BOOK.

DECEMBER 1, 188—.

Folio.						
		Holdridge & Gray, Medina.				
		1 No. 33 Wal't Bed,	R.	10	50	
		1 No. 33 " Wood Top Dresser,	"	17		
		2 " " Towel Racks,	"	1	65	29 15
		2 No. 80 Chairs,	Net.		92	
		12 No. 49½ "	"	15		
		12 No. 57 "	"	9		24 92
		John H. King, City.				
		6 No. 36 Chairs, Maple,	Net.			10 80
		Geo. C. Lyon, Fair Haven.				
		3 Best S. B. Beds,	Net.	6	30	
		3 High H. D. Cott,	"	7	65	
		3 Low do.	"	7	20	
		1 Imp. Congress Chair,	"	2	85	
		24 No. 72 Light Chair,	"	11		
		12 No. 72 Dark "	"	5	50	
		4 No. 61 "	"	1	92	42 42

LEDGER.

C. A. GRAVES, Brockport.

188—					188—			
Nov.	3	J.	R.	1436 85	Dec.	2	C. B., 5% off,	1436 85
Dec.	3	S. B.	"	54 50				
	"	"	Net.	3 08				
	5	"	"	19 35				

E. S. SMITH, North Wilson.

188—					188—			
Nov.	5	J.	R.	1153 85	Dec.	4	C. B., 5% off,	1371 28
	5	"	Net.	217 43				

WARREN & FRANCIS, Jamestown

188—					188—			
Nov.	7	J.	Net.	216 40	Dec.	6	C. B.	216 40
Dec.	3	S. B.	R.	12 50				
	"	"	Net.	13 50				
	5	"	R.	48				
	"	"	Net.	34				

DECEMBER 1, 188—.

Resources of C. J. Huntington & Co., Furniture Manufacturers:

REAL ESTATE: Manufactory, 18000.00; Warehouse, 24000.00. Total, 42000.00. (*J.*)MERCHANDISE: Manufactured, 47500.00; Lumber, 28000.00; Hardware, 1400.00; Fabrics &c., 1700.00; Varnishes, Oil &c., 350.00. Total, 78950.00. (*J.*)Machinery and Tools, 9000.00. (*J.*) Office Fixtures, Safe, Desks, &c., 850.00. (*J.*) First National Bank, on deposit, 4486.84. (*J.* *The Bank account is here kept in the Ledger, but may be kept in the Check Book if preferred.*) Cash in Safe, 211.14. (*C. B.*)BILLS RECEIVABLE: Note of J. L. Brown, Tonawanda, at 3 mos. from Sept. 1st., with interest, 865.00. Note of S. H. Parker, Great Bend, at 3 mos. from Sept. 6th, with interest, 950.00. Note of D. M. Willard, Grand Haven, at 2 mos. from Oct. 19th, with interest, 1744.50. Note of J. B. Andrews, Salem, at 3 mos. from Nov. 15th, with interest, 428.15. Total, 3987.65. (*J. and B. B.*) Interest accrued on above notes, 39.79. (*J.*)PERSONAL ACCOUNTS (*See Note below.*): C. A. Graves, Brockport, Mdse. bought on Regular terms, Nov. 3, 1436.85. E. S. Smith, North Wilson, Mdse. bought Nov. 5; Regular, 1153.85; Net, 217.43. Warren & Francis, Jamestown, Mdse. bought Nov. 7; Net, 216.40. John H. King, City, Mdse. bought Nov. 10; R., 184.30; Net, 195.10. Covert Bros., Oxford, Mdse. bought Nov. 3; R., 1423.00. Geo. C. Lyon, Fair Haven, Mdse. bought Nov. 16; R., 83.18; Net, 41.12. Holdridge & Gray, Medina, Mdse. bought Nov. 19; R., 234.50; Net, 1117.95. W. J. Thompson, Barclay, Mdse. bought Nov. 21; R., 1143.25; Net 73.11. Daniel Paine, Bridgeport, Mdse. bought Nov. 23; R., 118.45; Net, 61.17. J. H. Arnold, Geneva, Mdse. bought Nov. 25; Net, 1123.18. (*J.*)

NOTE.—All goods are sold for Cash, Net Cash, or on "Regular" Terms. When sold for cash no entry is made excepting in the Cash Book, and that at the close of the day. If thought best, such sales may be described. See C. B., page 152. Such cash receipts should agree with the Salesman's memoranda. When sold for Net Cash, the goods are entered in the Sales Book with the word "Net" after each item, and the aggregate is posted to the debit of the purchaser's account in the Ledger. Mdse. account should be credited with the daily, weekly or monthly footing of the Sales Book. When sold for "Net Cash" it is understood the bill is to be paid within 30 days. The terms are indicated by "Net" in the Sales Book. At the expiration of the time the bill has to run it will be subject to draft at sight. When goods are sold on "Regular terms," they are entered in the Sales Book and posted precisely as when sold for "Net Cash," excepting that the initial letter "R" is written after each item. Bills sold on "Regular" terms have four months to run, and if paid within 30 days are subject to a discount of 5 per cent. If allowed to run beyond the four months they are subject to draft at sight. The terms on which bills are sold should be indicated in the Ledger as well as in the Sales Book. See accounts given on page 153, for illustration.

Sold Holdridge & Gray, Medina, 1 No. 33 Wal't Bed, 10.50; 1 No. 33 Wal't Wood Top Dresser, 17.00; 1 No. 2 Wal't Towel Rack, 1.65, Regular. 2 No. 80 Chairs, 92c.; 12 No. 49½ Chairs, 15.00; 12 No. 57 Ch., 9.00, Net. (*See Sales Book, page 153.*)

John H. King, City, 6 No. 36 Maple Chairs, 10.80, Net. (*S. B.*)

Geo. C. Lyon, Fair Haven, 3 Best Side-board Beds, 6.30; 3 High H. D. Cots, 7.65; 3 Low do., 7.20; 1 Imp. Cong. Ch., 2.85; 24 No. 72 Light Ch., 11.00; 12 No. 72 Dark Ch., 5.50; 4 No. 61 Ch., 1.92, Net. (*S. B.*)

Cash sales, J. Smith, C. Suit, 36.00. Mrs. Wood, Pat. Rocker, 22.00. W. Brown, Parlor Suit, 144. (*C. B., see page 152.*)

DECEMBER 2, 188—.

Sold Daniel Paine, Bridgeport, 6 No. 25 Ch., 7.20; 12 No. 72 Ch. Sing. Round Light, 5.25; 6 No. 57 Ch., 4.50, Net. (*S. B.*)

Covert Bros., Oxford, 1 No. 33 Wal't Wood Top Suit, 34.75; 1 Tete in Jute, 22.00; 1 Ford Rocker, 11.00, Regular. 1 Arm Chair, 5.00, Net. (*S. B.*)

J. H. Arnold, Geneva, 2 No. 4 Soft Wood Beds, 6.50; 2 No. 25½ Ch., 8.00; 2 No. 24 Ash and Wal't Beds, 9.00; 18 No. 57 Chairs in White (unfinished), 27.00; 3 No. 33 Ash and Wal't Beds, 18.00; 4 No. 309 Ch., 4.00, Net. (*S. B.*)

Received check from C. A. Graves for the amount of his bill of Nov. 3, 1436.85, less the regular discount, 5¢. (*C. B.*)

Bought, for cash, 3500 ft. Wal't Lumber, @ 70.00 per M. (*C. B.*)

Cash Sales: B. Jones, 1 Pat. Rocker, 22.00, 1 Wal't Hat Rack, 28.00; Bunch of Cane, 80c. (*C. B.*)

DECEMBER 3, 188—.

Sold C. A. Graves, Brookport, 2 No. 42 Ash Beds, 18.00; 2 No. 42 Ash Dressers, 31.00; 1 No. 4' Ash W. Stand, 5.50, Regular; and 2 No. 83 Ch., 3.08, Net. (*S. B.*)

Sold W. J. Thompson, Barclay, 6 No. 6 Maple Ch. in the White, 10.80; 4 No. 38 do., 4.80, Net. (*S. B.*)

Sold Warren & Francis, Jamestown, 6 Lounges, White, 7.50; 4 14 × 24 Glasses, 5.00, Regular. 24 No. 57 Ch., 13.50, Net. (*S. B.*)

Holdridge & Gray, Medina, Repairing Bed and Bureau, 8.00; 1 Hair Soft Mattress, 4.50, Regular. (*S. B.*)

Cash sales: Mrs. W. Price, Ash Dining Table and 6 No. 33 Ch., 26.00; 1 Wal't Washstand, 4.00 (*C. B.*)

DECEMBER 4, 188—.

Sold John H. King, City, 24 No. 87 Ch., 13.00; 36 No. 89 Ch. Dark, 19.50; 12 No. 89 Light, 18.00, Net. (*S. B.*)

Sold Geo. C. Lyon, Fairhaven, 4 Lounges, White, 5.00; 1 No. 42 Ash and Wal't Suit, 21.25, Regular. 2 No. 42 Ch., Light, 4.68, Net. (*S. B.*)

J. L. Brown paid his note of 865.00, and interest, due to-day.

E. S. Smith pays his bill of Nov. 5th, 1371.28, less discount, 5% on the Regular portion of it. (*C. B.*)

Cash sales: 1 Cong. Office Chair, 18.00; 1 Office Desk, 45.00. (*C. B.*)

DECEMBER 5, 188—.

Sold C. A. Graves, Bridgeport, 2 No. 48 Oak Ch., 2.60; 24 No. 89 Ch., 13.00; 1 Wal't Cor. Stand, 3.75, Net. (*S. B.*)

Sold Warren & Francis, Jamestown, 1 No. 33 Wal't Wood Top Suit, 36.00; 6 Com. S. B. Beds, 12.00, Regular. 2 No. 33 Wal't W. T. Dressers, 34.00, Net. (*S. B.*)

Sold W. J. Thompson, Barclay, 1 No. 33 Wal't W. T. Suit, 36.00; 1 No. 33 Wal't W. T. Washstand, 7.50, Regular. 24 No. 87 Ch., 13.00, Net. (*S. B.*)

Cash Sales: John Wagner, 1 W. T. Suit, 36.00; 1 Ash Din. Table, 18.00. (*C. B.*)

Bought Damask, Jute, &c. of A. S. Mann & Co., by check, 118.44; Invoice filed. (*J.*)

Deposited 2500.00. (*C. B.*)

DECEMBER 6, 188—

Sold Covert Bros., Oxford, 2 No. 33 Wal't W. T. Suits, 69.50, Regular. 6 No. 59 Ch., 12.00, Net. (*S. B.*)

J. H. Arnold, Geneva, 1 No. 2 Couch in Carpet, 9.00; 6 Lounges, White, 12.90, Reg. 12 No. D. R. Ch., White, 4.35, Net. (*S. B.*)

Daniel Paine, Bridgeport, 2 No. 42 Ash Beds, 18.00; 2 No. 42 Ash Dressers, 31.00; 1 No. 42 W. Stand, 5.50, Reg. 6 No. 83 Ch., 9.00, Net. (*S. B.*)

Cash Sales: Parlor Suit, Wal't, 72.00; Chamber Suit, Wal't, 55.00. (*C. B.*)

Warren & Francis pay their net bill of Nov. 7, by check, 216.40. (*C. B.*)

The Foreman in the Cabinet Shop has handed in the time of, and amount due to the following hands: Nier, 10.50; Brown, 11.75; J. Wilson, 12.80; D. Wilson, 6.50; Meyer, 16.90; Johnson, 5.00; Lyman, 8.30; Mosier, 14.50; Thayer, 14.50; Pease, 12.25; Bartlett, foreman, 25.00. From the Warehouse are added Hyatt, Book-keeper, 30.00; Mory, Ass't Book-keeper, 8.00; Hackett, Salesman, 18.00; Pomeroy, Salesman, 20.00. (*Credit Col. II. R. See form, page 152.*)

NOTE.—The pupil will rule a sheet for a Hands Register similar to the form given on page 152.

Paid in full all whose names appear on the Hands Register, in cash. (*Debit Col. II. R. and C. B.*)

Balance Cash Book and bring down balance. Cash on hand, 1552.35. Post Journal, Sales Book and Cash Book, and take a Trial Balance. Give each account one-fourth of a page space. In posting the Personal Accounts, enter the terms given in the Memoranda. See Ledger form on page 153.

DECEMBER 8, 188-

Sold Geo. C. Lyon, Fair Haven, 2 No. 33 Wal't W. T. Dressers, 34.00; 2 No. 33 Wal't W. T. W. Stands, 15.00, Reg.

Holdridge & Gray, Medina, 1 No. 35½ Ash Suit, 24.55; 1 No. 50 Shelf Side Stand, 3.75, Reg. 4 No. 44 Ch., 3.67; 2 No. 27 Ch., 1.70; 12 No. 87 Ch., 6.50, Net.

John H. King, City, 2 No. 33 Wal't W. T. Suits, 50.00, Reg. 10 Spindle H'd and F't Beds, 24.00, Net.

Sent check on First National Bank to Bancroft & Co., Pittsburg, for bill of Hardware, 318.45.

Cash sales: 1 Wal't M. T. Chamber Suit, 118.00; 1 Wal't Parlor Suit in Rep, 85.00.

Bought new Planer, by check, 875.00.

DECEMBER 9, 188-

Sold E. S. Smith, North Wilson, 1 Book Case, in White, 18.00, Reg. 36 No. 48 Oak Ch., 54.00, Net.

Warren & Francis, Jamestown, 24 No. 87 Ch., 13.00; 24 No. 89 Ch., 14.00; 12 No. 89 Ch., 6.75, Net.

W. J. Thompson, Barclay, 1 No. 42 Ash and Wal't Suit, White, 21.25, Reg. 2 No. 80 Ch., 1.08; 12 No. 98 Ch., 32.00, Net.

Cash sales: 6 Dining Ch., 9.00; 1 Book Case, Wal't, 45.00.

Gave check for 6850 ft. Cherry Lumber, @ 48.00 per M.

Deposited 1500.00.

S. H. Parker pays his note of 950.00, with interest, in cash.

DECEMBER 10, 188-

Sold Covert Bros., Oxford, 6 Lounges, White, 7.50; 2 No. 1 Couches in Carpet, 17.50, Reg. 6 No. 25 Ch., 7.20; 12 No. 57 Ch., 9.00, Net.

C. A. Graves, Brockport, 2 No. 42 Ash Beds, 18.00; 2 No. 42 Ash Dressers, 31.00, Reg. 4 No. 309 Ch., 4.00, Net.

Daniel Paine, Bridgeport, 6 14 × 24 Glasses, 8.25; 2 No. 33 Wal't W. T. Suits, 75.00; 1 Bunch Cane, 80c., Reg. 10 No. 309 Ch., 10.00, Net.

Cash Sales: 1 Tete in Jute, 16.00; 1 Ford Rocker, 8.00; 1 Arm Ch., 6.00.

J. H. King pays his R. bill, 184.30, and his Net bill of 195.10, of Nov. 10th, less discount, 5% on the R. bill.

DECEMBER 11, 188-

Sold Holdridge & Gray, Medina, 6 Ash and Wal't Beds, 36.00, Reg. 18 No. 57. C., in White, 15.50; 24 No. 25½ Ch., 30.00, Net.

Geo. C. Lyon, Fair Haven, 12 No. 4 W. T. Cent. Tables, 42.00, Reg. 24 No. 59 Ch., 14.50, Net.

John H. King, City, 2 No. 1 Book Cases, in White, 37.00; 2 No. 33 Ash and Wal't Suite, 68.50; 2 No. 98 Ch., 5.50, Net.

Cash Sales: 1 W. T. Wash Stand, 4.50; 1 M. T. Suit, 56.00; 1 Office Desk, 34.00; 1 Office Chair, 15.00.

Deposited, 1000.00.

DECEMBER 12, 188-

Sold E. S. Smith, North Wilson, 3 No. 42 Ash and Wal't Suits, 63.00; 8 S. W. Beds, 24.00, Reg. 4 No. 43 light Ch., 4.50; 4 No. 25 dark Ch., 4.80, Net.

W. J. Thompson, Barclay, 2 No. 33 Wal't Beds, 21.00; 2 No. 33 W. T. Dressers, 34.00, Reg. 24 No. 72. Ch., light, 11.00; 12 No. 72 Ch., dark, 5.50, Net.

Cash sales: 1 M. T. Wal't Side Board, 48.00; 1 Wal't D. Table, 24.00; 9 D. Ch., 13.50.

DECEMBER 13, 188-

Sold J. H. King, City, 2 M. T. Wal't Side Bords, 58.00; 2 Wal't D. Tables, 38.00, Reg. 18 No. 36 Ch., 24.00, Net.

J. H. Arnold Geneva, 2 No. 33 Ash and Wal't Suits, 64.00; 2 No. 4 S. W. Beds, 8.00; 8 Com. Wash Stands, 12.00, Reg. 12 No. 80 Ch., 12.00, Net.

Daniel Paine, Bridgeport, 2 No. 35 Ash Suits, 51.00; 2 Wal't D. Tables, 28.00, Reg. 24 No. 44 Ch., 28.00, Net.

Sales for cash: 1 Couch in Carpet, 18.00; 1 Pat. Rocker, 22.00; 3 Office Stools, 3.60.

Covert Bros. pay their R. bill of Nov. 3, less discount, in cash.

Deposit in First National Bank, 1500.00.

Bartlett, foreman, has left his Time Book in the office, from which the Pay Roll will be made up. The hands have earned during the week, as follows: Neir, 11.75; Brown, 11.50; J. Wilson, 14.20; D. Wilson, 8.75; Meyer, 15.50; Johnson, 6.75; Lyman, 9.80; Mosier, 13.20; Thayer, 16.25; Pease, 12.50; Bartlett, Foreman, 25.00. Added from the Office and Warehouse: Hyatt, Book-keeper, 30.00; Morey, Ass't Book-keeper, 8.00; Hackett, Salesman, 18.00; Pomeroy, Salesman, 20.00. Entered on Hands Register and paid in full, in cash.

INVENTORIES, DECEMBER 13, 188—.

REAL ESTATE—Manufactory, 18000.00; Warehouse, 24000.00,	42000 00
MERCHANDISE—Manufactured Stock and Raw Material,	78164 90
MACHINERY AND TOOLS—At Cost,	9875 00
OFFICE FIXTURES—At Cost,	850 00
INTEREST—Accumulated on D. M. W.'s Note,	
.. .. " J. B. A.'s Note,	

Balance the Cash Book. Cash on hand, 543.51. Post, make a Balance Sheet, and close the Ledger. Net gain, 660.56.

QUESTIONS FOR REVIEW.

¹ What books are required? Which are used as principal books, and which as auxiliaries? ² Describe the Sales Book. ³ From which book are customers debited for purchases on account? ⁴ To what account is the footing of the Sales Book posted? ⁵ In what respect does the Cash Book used in this business differ from the ordinary Cash Book? ⁶ What do you understand by "Regular" bills? ⁷ How are purchasers' discounted bills entered in the Cash Book? ⁸ How are the entries of merchandise in the Cash Book posted? ⁹ How often should the cash be proved? ¹⁰ What does the Journal contain? Describe the Hands Register.

After you have completed the work upon your books, present them to the teacher for inspection, and prepare for a written examination in book-keeping, questions for which will be furnished by the teacher—selected from the questions for review given throughout the book. You will also be required to make the Journal entries for a variety of transactions, and to draw forms of business paper, as Letter, Bill, Invoice of Shipment, Account of Sales, Note, Draft, Check, Certificate of Deposit, etc.

BUSINESS FORMS.

LETTER INCLOSING REMITTANCE

FULLER & HENDERSON,
WHOLESALE
WOODEN WARE
AND
GROCERS SUNDRIES,
 165 MAIN STREET.

ROCHESTER, Oct. 3, 1888

*Mr. Byron Parle,
 Toronto, Ont.*

*Sir: We enclose herewith.
 New York exchange in settlement of Invoice of Oct. 1,
 less discount, as follows:*

Cash discount 5% 30.61

Draft inclosed 581.64 612.25.

*The goods were entirely satisfactory and you may
 expect another order soon*

Yours respectfully,

Fuller & Henderson.

LETTER OF RECOMMENDATION.

CARBONDALE, Aug. 31, 1888.

To whom it may Concern:

We take pleasure in stating that the bearer, Mr. Ralph E. Rogers, who has been employed by us during the past year, is in all respects a competent and faithful book-keeper, and a young man of the highest qualities of head and heart.

Mr. Rogers severs his connection with our house to seek a more congenial climate, and leaves bearing with him the highest regard of all with whom he has been associated.

Respectfully,

BEDELL & LUSK.

LETTER ORDERING GOODS

ROCHESTER, Oct. 4 1888.

MR. GEO. E. OSGOOD,
 Chicago.

Dear Sir: Please ship us as soon as possible, per L. S. & M. S. R. R. and N. Y. C. & H. R. R. R., the following:

20 doz. 2-hoop Pails; 15 doz. C. Pounders; 25 doz. R. Pins; 10 doz. N. D. Z. Wash Boards; 15 doz. 12-in. B. Bowls; 5 doz. No. 3 Wood Scoops; 25 Nests F. Pails; 5 doz. W. Shovels.

Respectfully,

FULLER & STUDENT.

BUSINESS FORMS.

INVOICE OF SHIPMENT.

Invoice of Merchandise shipped to A. G. Niles, Evansville, to be sold on our account and risk.

	200 bu. Potatoes,	@ 65c.	130	
	Paid Cartage,		3	25
			133	25
	GALESBURG, Sept. 15, 188--.			

ACCOUNT OF SALES.

Sales of 500 bu. Red Wheat, on *ac* of Foster Bros.

188-- Sept.	9	Sold for cash,			
		200 bu. Red Wheat,	@ 1.31 $\frac{1}{4}$	264	50
	12	Sold for cash,			
		300 bu. Red Wheat,	@ 1.31 $\frac{1}{4}$	411	75
				686	25
	6	Paid Freight,	50.		
	12	Storage, 2 $\frac{1}{2}$ c. per bu.,	12.50		
	"	Commission, 2% of Sales,	13.73		
				76	23
		Foster Bro's Net Proceeds,		610	02
		E. E.			
		GALESBURG, Sept. 12, 188--.			

HERBERT G. WILLIAMS.

BANK DRAFT.

[May be written across the face of the draft, to prevent a fraudulent change in the amount.]
Under One Hundred Dollars.

No. 1867. MANUFACTURERS AND TRADERS BANK,
OF MINNEAPOLIS.
\$96.38. MINNEAPOLIS, April 12, 188--.
Pay to the order of Erastus W. Cleveland, Ninety-six and $\frac{38}{100}$ Dollars.
To BROADWAY BANK, J. R. COMPTON,
New York. Cashier.

FORMS OF INDORSEMENT.

[Showing Blank Indorsement across the back of W. & E. Morgan's note of Oct. 22, page 140.]

THOMAS FIELD.

[Showing Indorsement in Full across the back of New York Draft sent to S. H. & Co., Oct. 24, page 140.]

Pay to the order of Scovell, Hodges & Co.
FULLER & STUDENT.

[Showing Payment Indorsed across the back of C. & H. note of Oct. 28, page 141.]

\$200. Received on the within note, Oct. 28, 188--. Two Hundred Dollars.
FULLER & STUDENT.

[Showing form of qualified Indorsement.]

Pay Wm. Holloway, or order, without recourse to us.
FULLER & STUDENT.

BUSINESS FORMS.

BILL.

FULLER & HENDERSON,
WHOLESALE
WOODEN WARE
AND
GROCERS' SUNDRIES,
165 MAIN STREET.

ROCHESTER, Oct. 8, 1888

Francis E. Warren,
New Rochelle

Bought of

FULLER & HENDERSON.

FOUR

SALESMAN

Credited TERMS 30 days

TERMS

3 Doz	Norfolk S. G. W. Boards	2.50		7.50
5 "	Eagle S. G. "	1.75		8.75
5 Doz	#4 Paper Bags	1.75	0.75	
			Subt 0.75	7.97
3 Doz	12 in Butter Boards	1.75		5.25
4 "	Cor. W. S. S. Boards	2		1.0
2 "	#2 Chop Trays	0		1.0
2 "	#10 Feather Dusters	2	3	
"	#12 " "		2.50	
		Subt 2.50	5.75	
1 Doz	Gates Brushes	2.25	0.836	3.086
1 Doz	Woom Boards	2.50		1.5
				12.951

CERTIFIED CHECK.

\$1475.54.

SYRACUSE, July 10, 1888.

CENTRAL CITY BANK,

Pay to Bliss, Goodrich & Co., or order, Fourteen Hundred Seventy-five and $\frac{54}{100}$
Dollars.

No. 602.

EVANS & KINGSBURY.

[To be written across the
face of the check.]

Certified.

E. W. SMITH,
Teller.

CERTIFICATE OF DEPOSIT.

\$500.00.

DETROIT, May 9, 1888.

SECOND NATIONAL BANK.

Samuel Roberts, Jr., has deposited in this Bank Five Hundred Dollars, payable
to himself, or order, on return of this Certificate.

GEO. HINMAN,
Cashier

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